



VRSA

Virginia Risk Sharing Association

More Than Insurance



**Virginia Risk Sharing Association and Subsidiaries
Annual Comprehensive Financial Report
For the Fiscal Years Ended June 30, 2025 and 2024**



Annual Comprehensive Financial Report

For the Fiscal Years Ended June 30, 2025 and 2024

Prepared by:

Virginia Risk Sharing Association
Finance Department
Jeff Nickey, Deputy Managing Director

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Virginia Risk Sharing Association and Subsidiaries

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INTRODUCTORY SECTION

For the Period July 1, 2024 – June 30, 2025

- Letter of Transmittal
- Certificate of Achievement for Excellence in Financial Reporting
- Members' Supervisory Board
- Pool Membership
- Staff Listing
- Staff Organization Charts



December 30, 2025

To the Members' Supervisory Board and the Members of Virginia Risk Sharing Pool

Bureau of Insurance regulations require that all public entity group self-insurance pools in Virginia file a complete set of audited financial statements within six months of the close of each fiscal year. This Annual Comprehensive Financial Report (ACFR) for Virginia Risk Sharing Association (the Pool) fulfills that requirement for the fiscal year ended June 30, 2025.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that have been established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Keiter, Certified Public Accountants, has issued an unmodified ("clean") opinion on Virginia Risk Sharing Association and Subsidiaries' consolidated financial statements for the year ended June 30, 2025. The independent auditor's report is located at the front of the financial section of this report.

As required by Generally Accepted Accounting Principles, the Management's Discussion and Analysis (MD&A) provides a narrative introduction, overview, and analysis to accompany the basic consolidated financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The statistical section includes selected financial and statistical data, generally presented on a multi-year basis.

Organization and Profile

The Pool is an unincorporated association formed for the purpose of administering risk management programs in accordance with laws of the Commonwealth of Virginia. The Pool is considered a public entity risk pool for operational purposes. A public entity risk pool is defined as a cooperative group of governmental entities joining together to finance an exposure, liability, or risk. The Pool's membership consists of cities, towns, counties, school divisions and other governmental authorities in Virginia. Pooling allows increased availability and affordability of coverages, as well as overall improvement in risk management.

The Pool is governed by a nine-person Members' Supervisory Board that is comprised of eight elected or appointed officials from member jurisdictions and the executive director of Virginia Municipal League. Board members are elected by the membership for three-year terms and may serve multiple terms. The Board elects a Chairman and Vice-Chairman who serve one-year terms. The day-to-day operations of the Pool are overseen by the Managing Director, who is the chief administrative officer

and is responsible for the administrative implementation of policies stated in the Member Agreement and By-Laws as well as any policies established by the Board.

A detailed annual budget is prepared prior to each fiscal year and submitted to the Board for review and approval. The Pool operates on a fiscal year that begins July 1 and ends on June 30. Pool management is responsible for staying within budget and must advise the Board of any unusual or extraordinary items as they arise. Detailed reports comparing budget to actual are provided to the Board on a quarterly basis.

Economic Outlook

The Pool's economic outlook is tied to three factors: the economic condition of our members, the reinsurance market, and the financial market.

Public entities in Virginia represent diverse geographical, demographical, fiscal and political characteristics. As such, member conditions and outlooks are similarly diverse. Factors affecting Northern Virginia with its high federal employment workforce could be different than those affecting the Tidewater area and Southwest Virginia. Subject to that caveat, the Pool expects the budgetary climate for members to remain relatively stable for the next few years. The Pool enjoys high member retention due to the broadest protections and services it offers while maintaining stable and affordable rates.

The second element of the Pool's economic outlook is the reinsurance market. The reinsurance market is more settled. The property reinsurance market appears to be well capitalized after years of precipitous increases. The Pool reviews loss history, retention levels, and coverage availability each year to maximize its reinsurance usage. Any increase should not be enough to cause coverage availability or affordability concerns because VRSA has practiced sound underwriting for many years resulting in a strong financial position.

In addition to reinsurance placed through the traditional market, the Pool created Virginia Interlocal Risk Sharing Association RE, LLC (VIRSA RE), a captive reinsurance company, effective July 1, 2018. VIRSA RE is a single member LLC for tax purposes utilizing the core/cell captive structure. The benefits to creating a captive include establishing a formal mechanism to set aside funds to manage losses in certain layers of risk; retain a portion of risk in a historically profitable layer; and addressing unique coverage needs not readily available in the commercial market.

Currently, the Pool utilizes the captive for a portion of the workers' compensation, auto liability, general liability, public official's liability, law enforcement liability and cyber reinsurance. The Pool may continue to expand both the amounts of reinsurance and lines of coverage placed through the captive in the future. As a wholly owned subsidiary of the Pool, VIRSA RE's financial results are consolidated in the Pool's ACFR.

The final element affecting the Pool's financial condition is the financial market, specifically the bond market. The Pool maintains a substantial investment portfolio which represents claim reserves that will be paid out over several years. The Pool's investment income has risen steadily since 2022 due to a series of interest rate hikes initiated by the Federal Reserve Board at that time. Even though the Fed

has lowered rates more recently overall rates are still above where they were prior to 2022 and lower yielding securities are being replaced with higher earning investments.

Annual Comprehensive Financial Report

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Virginia Risk Sharing Association for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024. A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of only one year. However, the Pool believes that our current ACFR continues to meet the Certificate of Achievement for Excellence in Financial Reporting Program's requirements and we will submit it to the GFOA for consideration of the award for this year as well.

The completion of the ACFR would not have been possible without the Pool's knowledgeable and dedicated team of professionals. A special note of gratitude goes to the Pool's personnel who assisted in this effort.

Sincerely,

A handwritten signature in black ink, appearing to read 'M. Hensel', with a stylized flourish at the end.

Marcus O. Hensel
Managing Director
Virginia Risk Sharing Association



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Virginia Risk Sharing Association

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morrill

Executive Director/CEO

**Virginia Risk Sharing Association
Members Supervisory Board
2024-2025**

Chair

Brian Thrower
County Administrator
Southampton County
P.O. Box 400
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bthrower@southamptoncounty.org

Leslie Beauregard
City Manager
City of Staunton
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Josh Farrar
Town Manager
Town of Ashland
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jfarrar@ashlandva.gov

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County Administrator
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Executive Director
Harrisonburg-Rockingham Sewer Authority
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Mount Crawford, VA 22841
540-434-1053 ext. 223
gthomasson@hrrsa.org

Vice Chair

Michael McEvoy
Executive Director
Western Virginia Water Authority
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John Budesky
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11375 N Lakeridge Parkway
Ashland, VA 23005
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jabudesky@hanovercounty.gov

Michelle Gowdy
Executive Director
Virginia Municipal League
P.O. 12164
Richmond, VA 23241
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William Johnson, III
City Manager
City of Emporia
201 South Main Street
Emporia, VA 23847
434-634-3332
wjohnson@ci.emporia.va.us

2024 - 2025 VRSA MEMBERSHIP

Accomack County DSS
Accomack-Northampton PDC
Albemarle County Service Authority
Albemarle/Charlottesville Regional Jail Authority
Alberta, Town of
Alexandria City Schools
Alexandria Library
Alexandria Renew Enterprises
Alexandria Transit Company
Alleghany Highlands Library Foundation
Alleghany Highlands Regional Library
Altavista, Town of
Appalachian Juvenile Commission
Appomattox Regional Governor's School
Appomattox River Water Authority
Appomattox, Town of
Ashland, Town of
Augusta County Landfill Trust
Augusta County Service Authority
Bath County Service Authority
Bedford Regional Water Authority
Bedford, Town of
Berryville, Town of
Blacksburg VPI Sanitation Authority
Blacksburg, Town of
Bloxom, Town of
Blue Ridge Cigarette Tax Board
Blue Ridge Court Services
Blue Ridge Criminal Justice Board
Blue Ridge Crossroads EDA
Blue Ridge Juvenile Detention Commission
Blue Ridge Regional Library
Blue Ridge Regional Library Foundation, Inc.
Boones Mill, Town of
Botetourt County DSS
Bowling Green, Town of
Boyce, Town of
Boydton, Town of
Boykins, Town of
Branchville, Town of
Breaks Regional Airport Authority
Bridgewater Industrial Development Authority
Bridgewater, Town of
Broadway, Town of
Brodnax, Town of
Brookneal, Town of
Buchanan, Town of
Buena Vista, City of
Bull Run ASAP
Burkeville, Town of
Campbell County IDA
Campbell County Utilities & Service Authority
Cape Charles, Town of
Capron, Town of
Cardinal Criminal Justice Academy
Carroll County DSS
Cedar Bluff, Town of
Central Rappahannock Regional Library
Central Shenandoah Criminal Justice Training Academy
Central Shenandoah PDC
Central Virginia ASAP
Central Virginia Criminal Justice Academy
Central Virginia Transit Management Company
Central Virginia Transportation Authority
Charlottesville-Albemarle Airport Authority
Central Virginia Waste Management Authority
Charlottesville City Schools
Charlottesville Redevelopment & Housing Authority
Charlottesville- UVA - Albemarle Emergency Communication Center
Charlottesville, City of
Charlottesville-Albemarle Airport Authority
Chase City, Town of
Chatham, Town of
Cheriton, Town of
Chesapeake Airport Authority
Chesapeake City Schools
Chesapeake Redevelopment & Housing Authority
Chilhowie, Town of
Chincoteague, Town of
Claremont, Town of
Clarksville, Town of
Clifton Forge, Town of
Clifton, Town of
Clintwood, Town of
CodeRVA
Coeburn, Town of
Colonial Beach, Town of
Colonial Behavioral Health
Colonial Heights, City of
Colonial Juvenile Services Commission
Commonwealth Governor's School
Community Action Partnership of Staunton, Augusta & Waynesboro
Court Community Corrections ASAP
Court Community Corrections DCJS
Court Community Corrections Drug Court
Covington Redevelopment & Housing Authority
Covington, City of
Craig-New Castle PSA
Craigsville, Town of
Crater Criminal Justice Training Academy
Crater PDC
Crewe, Town of
Crossroads IFA
Cumberland Plateau PDC
Dan River ASAP
Danville City Schools
Danville Redevelopment & Housing Authority
Danville, City of
Danville-Pittsylvania Regional IFA
Dayton, Town of
Dendron, Town of
Dillwyn, Town of
Dinwiddie County Water Authority
District Nine ASAP
Drakes Branch, Town of
Dublin, Town of
Duffield, Town of
Dumfries, Town of
Dungannon, Town of
Eastern Shore Public Library
Eastville, Town of
Economic Development Authority of the City of Hampton Virginia
EDA of the City of Winchester
Edinburg, Town of
Elkton, Town of
Emporia, City of
Essex County DSS
Exmore, Town of
Fairfax County Water Authority
Fairfax, City of

2024 - 2025 VRSA MEMBERSHIP, CONTINUED

Falls Church City Schools
Falls Church, City of
Farmville, Town of
Fauquier County Water & Sanitation Authority
Fincastle, Town of
Floyd, Town of
Floyd-Floyd County PSA
Floyd-Floyd County Tourism Development Council
Franklin County DSS
Franklin, City of
Fredericksburg City DSS
Fredericksburg EDA
Fredericksburg, City of
Frederick-Winchester Service Authority
Friends of the Staunton Library
Fries, Town of
Front Royal, Town of
Front Royal/Warren Co IDA
Galax, City of
Galax-Carroll Regional Library
Galax-Grayson EMS
Gate City, Town of
George Washington Regional Commission
Gloucester County DSS
GO Northern Virginia Council Region 7
Goochland County DSS
Gordonsville, Town of
Goshen, Town of
Grayson County DSS
Greater Roanoke Transit Company d/b/a Valley Metro
Greensville & Emporia DSS
Gretna, Town Of
Grottoes, Town of
Grundy IDA
Grundy, Town of
Halifax County IDA
Halifax County Service Authority
Halifax County Tourism Board
Hallwood, Town of
Hamilton, Town of
Hampton Redevelopment & Housing Authority
Hampton Roads Criminal Justice Training Academy
Hampton Roads PDC
Hampton Roads Regional Jail Authority
Hampton Roads Transportation Accountability Commission
Hampton Roads Workforce Council
Hampton Roads Workforce Foundation
Handley Regional Library
Hanover County
Hanover County DSS
Hanover County EDA
Hanover County Schools
Harrisonburg Electric Commission
Harrisonburg Redevelopment & Housing Authority
Harrisonburg Rockingham ECC
Harrisonburg Rockingham Regional Sewer Authority
Harrisonburg Rockingham Social Services
Harrisonburg, City of
Haymarket, Town of
Haysi, Town of
Henry County PSA
Henry/Martinsville Social Services
Herndon, Town of
Highland County DSS
Hillsboro, Town of
Hillsville, Town of
Historic Triangle Recreational Facilities Authority
Hopewell Redevelopment & Housing Authority
Hopewell, City of
Hurt, Town of
Independence, Town of
Iron Gate, Town of
Irvington, Town of
Ivor, Town of
James River ASAP
Jarratt, Town of
Jefferson- Madison Regional Library
John Tyler ASAP
Joint IDA of Wythe Co, Wytheville & Rural Retreat
Joint PSA of Wythe & Bland Counties
Juvenile Detention Commission for Northern Virginia
Keller, Town of
Kenbridge, Town of
Keysville, Town of
Kilmarnock, Town of
King & Queen County
King William County
King William County Public Schools
Lake Barcroft Watershed Improvement District
Lancaster County DSS
Lawrenceville, Town of
Lebanon, Town of
Lee County DSS
Lee County Redevelopment & Housing Authority
Lewistown Commerce Center CDA
Lexington & Rockbridge Area Tourism
Lexington, City of
Lonesome Pine Regional Library
Loudoun County Sanitation Authority
Louisa County Water Authority
Louisa, Town of
Lovettsville, Town of
Luray, Town of
Luray-Page County Airport Authority
Lynchburg Redevelopment & Housing Authority
Lynchburg, City of
Madison County DSS
Madison, Town of
Manassas Park, City of and Manassas Park City Schools
Manassas, City of
Martinsville City Schools
Mathews County
Mathews County DSS
Maury Service Authority
McKenney, Town of
Middle Peninsula Juvenile Detention Commission
Middle Peninsula Regional Adult Career Education
Middle Peninsula Regional Airport Authority
Middleburg, Town of
Middlesex County EDA
Middletown, Town of
Mineral, Town of
Monterey, Town of
Montgomery County EDA
Montgomery Regional Solid Waste Authority
Montross, Town of
Mount Crawford, Town of
Mount Jackson, Town of
Mount Rogers PDC
Narrows, Town of

2024 - 2025 VRSA MEMBERSHIP, CONTINUED

Nassawadox, Town of
Nelson County Service Authority
New Castle, Town of
New Horizons Regional Education Centers
New Kent County
New Market, Town of
New River Criminal Justice Training Academy
New River Regional Water Authority
New River Resource Authority
New River Valley Emergency Communications Auth.
New River Valley Juvenile Detention Center
New River Valley Regional Commission
New River-Mt. Rogers Workforce Investment
Newport News City Schools
Newport News IDA/EDA
Newsoms, Town of
Nickelsville, Town of
Norfolk Redevelopment & Housing Authority
Northern Neck Chesapeake Bay Public Access Authority
Northern Neck PDC
Northern Shenandoah Valley Regional Commission
Northern VA Criminal Justice Training Academy
Northern Virginia Cigarette Tax Board
Northern Virginia Regional Commission
Northern Virginia Regional Park Authority
Northern Virginia Transportation Authority
Northern Virginia Transportation Commission
Northumberland County DSS
Northwestern Regional Juvenile Detention Center
Norton, City of
NRV Regional Water Authority
Occoquan, Town of
Old Dominion Transit Mgmt Co DBA GRTC Transit System
Onancock, Town Of
Onley, Town of
Orange, Town of
Painter, Town of
Pamplin, Town of
Pamunkey Regional Library
Parksley, Town of
PAVAN
Pearisburg, Town of
Pembroke, Town of
Peninsula ASAP
Peninsula Town Center CDA
Pepper's Ferry Wastewater Authority
Petersburg Redevelopment & Housing Authority
Peumansend Creek Regional Jail Authority
Piedmont CSB
Piedmont Regional Criminal Justice Training Academy
PlanRVA
Pocahontas, Town of
Poquoson City Schools
Poquoson, City of
Port Royal, Town of
Portsmouth Redevelopment & Housing Authority
Potomac & Rappahannock Transportation Commission
Pound, Town of
Prince William County IDA
Prince William County Schools
Prince William County Service Authority
Purcellville, Town of
Quantico, Town of
Radford City DSS
Radford City EDA
Radford, City of
Rapidan Service Authority
Rappahannock Area CSB
Rappahannock ASAP
Rappahannock County Water & Sewer Authority
Rappahannock Juvenile Center
Rappahannock Regional Criminal Justice Academy
Rappahannock-Rapidan Regional Commission
Remington, Town of
Rich Creek, Town of
Richlands, Town of
Richmond Ambulance Authority
Richmond Behavioral Health Authority
Richmond Metropolitan Transportation Authority
Richmond Redevelopment & Housing Authority
Ridgeway, Town of
Rivanna Solid Waste Authority
Rivanna Water & Sewer Authority
Roanoke Redevelopment and Housing Authority
Roanoke River Service Authority
Roanoke Valley Broadband Authority
Roanoke Valley Juvenile Detention Center
Roanoke Valley Resource Authority
Roanoke Valley-Alleghany Regional Commission
Roanoke, City of
Rockbridge Area DSS
Rockbridge Area Network Authority
Rockbridge Area Recreation Organization
Rockbridge Regional Library
Rockbridge Regional Public Safety Communications Center
Rocky Mount, Town of
Round Hill, Town of
Rowanty Vocational Technical Center
Rural Retreat, Town of
Russell County DSS
Salem, City of
Saltville, Town of
Saxis, Town of
Scottsburg, Town of
Sheltercare of Northern Virginia
Shenandoah Valley Juvenile Center Commission
Shenandoah, Town of
Skyline Regional Criminal Justice Academy
Smithfield, Town of
South Boston, Town of
South Central Wastewater Authority
South Hill, Town of
Southampton County
Southampton County Public Schools
Southampton County Volunteer Fire/EMS
Southeastern PSA
Southeastern Virginia ASAP
Southside PDC
Southside Regional Juvenile Group Home
Southside Virginia ASAP
Southwest Virginia Criminal Justice Training Acad
Southwest Virginia Regional Recreation Authority
Southwestern VA Transit Management Company
St. Paul IDA
St. Paul, Town of
Stanardsville, Town of
Stanley, Town of
Staunton City Schools
Staunton Redevelopment & Housing Authority
Staunton, City of

2024 - 2025 VRSA MEMBERSHIP, CONTINUED

Stephens City, Town of
Stony Creek, Town of
Strasburg, Town of
Stuart, Town of
Suffolk Redevelopment & Housing Authority
Suffolk, City of
Sussex Service Authority
Tangier, Town Of
Tazewell County Airport Authority
Tazewell County DSS
Tazewell Today, Inc.
Tazewell, Town Of
The Governor's School at Innovation Park
The Governor's School of Southside Virginia
The Plains, Town of
Thomas Jefferson PDC
Tidewater Youth Services Commission
Timberlake WID
Timberville, Town Of
Toms Brook, Town of
Transportation District Comm of Hampton Roads
Tri River ASAP
Troutville, Town of
Twin County E911 Regional Commission
Upper Occoquan Service Authority
Urbanna, Town of
Vaco VML Pooled OPEB Trust
Valley CSB
Victoria, Town of
Vienna, Town of
Vinton, Town of
Virgilina, Town of
Virginia Career Works Piedmont
Virginia Carolina Water Authority
Virginia Coalfield Coalition, Inc.
Virginia Energy Purchasing Governmental Assoc
Virginia Highlands Airport Authority
Virginia Investment Pool Trust Fund

Virginia Municipal Electric Association
Virginia Peninsulas PSA
Virginia Tech-Montgomery Exec Airport Authority
Wachapreague, Town of
Warren County
Warren County Library Board
Warren County Volunteer Fire/EMS
Warrenton, Town of
Warsaw, Town of
Washington County DSS
Washington County Service Authority
Washington, Town of
Waverly, Town of
Waynesboro EDA
Waynesboro Public Schools
Waynesboro RDHA
Waynesboro, City of
West Point, Town of
Western Tidewater CSB
Western Tidewater Water Authority
Western Virginia Regional IFA
Western Virginia Water Authority
Westmoreland County
White Stone, Town of
Williamsburg EDA
Williamsburg Redevelopment & Housing Authority
Williamsburg Regional Library
Williamsburg, City of
Winchester, City of
Windsor, Town of
Wired Road Authority
Wise, Town of
Woodstock, Town of
Wytheville, Town of
York County
York County Schools
York-Poquoson Social Services

**Virginia Risk Sharing Association
Staff Listing
July 1, 2024 – June 30, 2025**

Administration

Marcus Hensel Managing Director

Communications

Hollie Cammarasana Director of Communications

Finance

Jeff Nickey Deputy Managing Director

HR

Tina Stevens Director of Human Resources

Information Services

Kari Soniat Director of Information Services
Cody Childress Application Support Analyst
Judy Huang Senior Software Engineer
Jen Lee Business Data Analyst

Member Services

Harry McMillen Member Services Specialist
Nora Pierre Senior Account Executive
Lisa Schenk Senior Account Executive
Peter Stephenson Local Government Specialist
Karen Wall Administrative Specialist

Operations

Lisa Hart Operations Manager
Jackie Stauffer Administrative Specialist
Lisa Welch Accounting Assistant

Risk Services

Thomas Bullock Director of Education & Training
Fonda Craig Senior Safety Consultant
Gary Dillon Public Safety Specialist
Christine Gillison Safety Consultant
Eddie Shelton Safety Specialist

Underwriting

Cathie Moreland-Hasty Director of Underwriting
Ann Chandler Senior Underwriter
Crystal Griffin Senior Underwriter
Karen Nuckols Underwriting Specialist

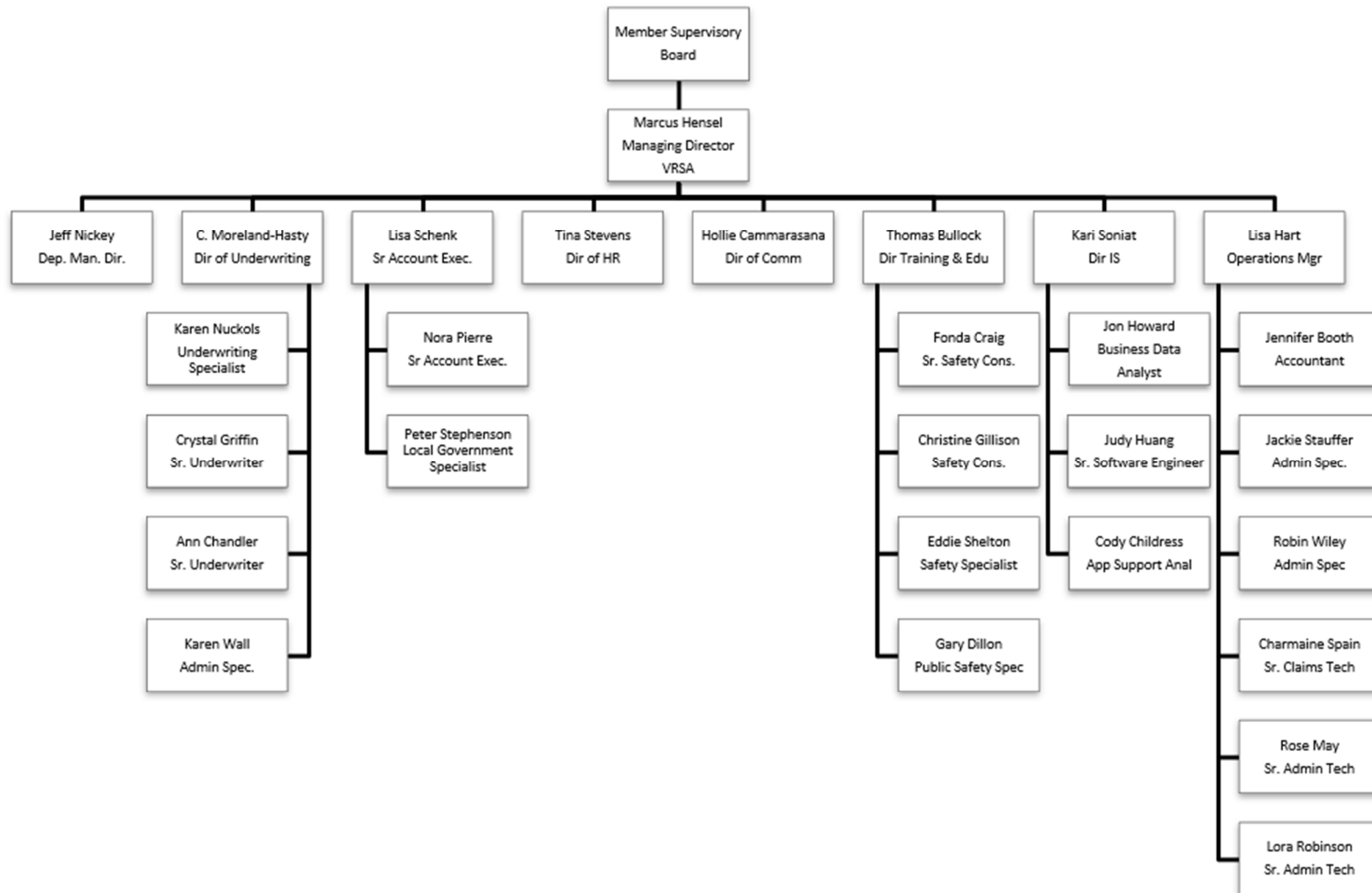
Property & Liability Claims

Tracey Dunlap Director of P & L Claims
Ryan Berberich Claims Supervisor
Joseph Cujas Senior Claims Representative
Pamela Jones Senior Claims Representative
Sally Nutsford Senior Claims Representative
Pari Ashkani Claims Representative
Qiana Brandon Claims Representative
Melissa Cook Claims Representative
Kai Smith Claims Representative
Pam Pitts Recovery Specialist
Alyssa Barkins Fast Track Representative
Shannon Cox Fast Track Representative
James Hembrey, II Fast Track Representative

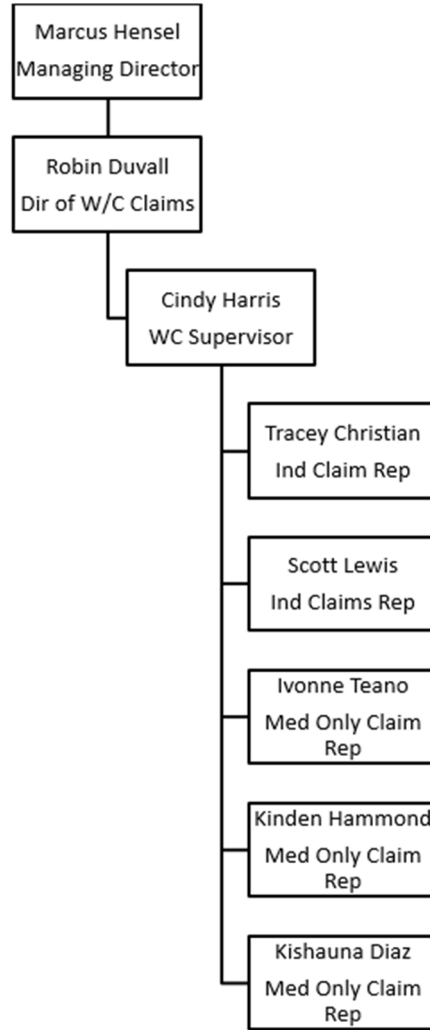
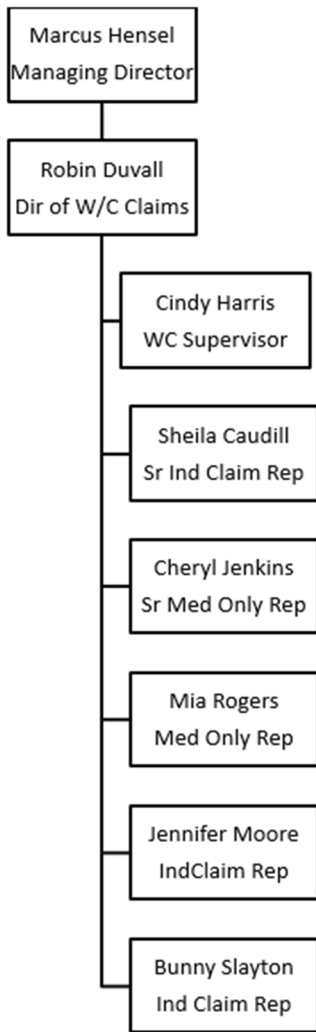
Worker's Compensation Claims

Robin Duvall Director of WC Claims
Cindy Harris Claims Supervisor
Sheila Caudill Senior Indemnity Claims Rep
Tracy Christian Indemnity Claims Rep
Scott Lewis Indemnity Claims Rep
Jennifer Moore Indemnity Claims Rep
Bunny Slayton Indemnity Claims Rep
Cheryl Jenkins Senior Medical Only Claims Rep
Kinden Hammond Medical-Only Claims Rep
Jamien Johnson Medical Only Claims Rep
Mia Rogers Medical Only Claims Rep
Ivonne Teano-Washington Medical Only Claims Rep

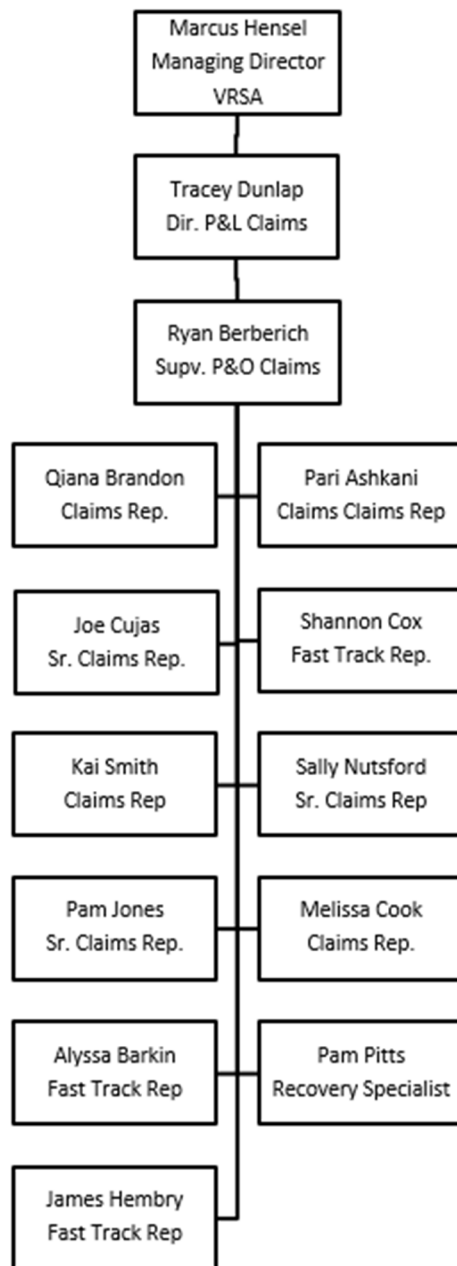
**Virginia Risk Sharing Association
Staff Organizational Charts
July 1, 2024 – June 30, 2025**



**Virginia Risk Sharing Association
Staff Organizational Charts, Continued
July 1, 2024 – June 30, 2025**



Virginia Risk Sharing Association
Staff Organizational Charts, Continued
July 1, 2024 – June 30, 2025





FINANCIAL SECTION

For the Period July 1, 2024 – June 30, 2025

- Independent Auditor’s Report
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 - Consolidated Schedule of Revenues and Expenses by Line of Coverage

INDEPENDENT AUDITOR'S REPORT

The Members' Supervisory Board
Virginia Risk Sharing Association

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Virginia Risk Sharing Association and Subsidiaries ("the Pool"), which comprise the consolidated statements of net position as of June 30, 2025 and 2024, and the related consolidated statements of revenues, expenses, and changes in net position and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Virginia Risk Sharing Association and Subsidiaries as of June 30, 2025 and 2024, and the changes in their net position and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Virginia Risk Sharing Association and Subsidiaries and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Virginia Risk Sharing Association and Subsidiaries' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, will always detect a material misstatement

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements, Continued

when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Virginia Risk Sharing Association and Subsidiaries' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Virginia Risk Sharing Association and Subsidiaries' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States require that the management's discussion and analysis, on pages 22 through 28, the liability for unpaid losses, net, by type of contract, and the ten-year claims development information on pages 46 through 49 be presented to supplement the basic consolidated financial statements. Such information is the responsibility of management and although not a part of the basic consolidated financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic consolidated financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic consolidated financial statements, and other knowledge we obtained during our audits of the basic consolidated financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements that collectively comprise the Pool's basic consolidated financial statements as a whole. The introductory sections, supplementary consolidated schedule of revenues and expenses by line of coverage, and statistical section are presented for purposes of additional analysis and are not a required part of the basic consolidated financial statements.

The supplementary consolidated schedule of revenues and expenses by line of coverage on page 51 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic consolidated financial statements or to the basic consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the supplementary consolidated schedule of revenues and expenses by line of coverage is fairly stated, in all material respects, in relation to the basic consolidated financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic consolidated information and our auditor's report thereon. Our opinions on the basic consolidated financial statements do not cover the other information, and we do not express an opinion or any form of assurance on them.

In connection with our audit of the basic consolidated financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic consolidated financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*


In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2025, on our consideration of the Pool's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Pool's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Pool's internal control over financial reporting and compliance.



December 30, 2025
Glen Allen, Virginia

VIRGINIA RISK SHARING ASSOCIATION AND SUBSIDIARIES

Pursuant to Section 14VA5-360-60 of the Virginia Administrative Code, we hereby submit the accompanying financial statements and supplemental data of the Virginia Risk Sharing Association and subsidiaries.



Chair, Members Supervisory Board



Administrator

Virginia Risk Sharing Association and Subsidiaries

Management's Discussion and Analysis

June 30, 2025 and 2024

ANNUAL COMPREHENSIVE FINANCIAL REPORT

This section of the Virginia Risk Sharing Association and its subsidiaries', Virginia Local Government Risk Agency, LLC and Virginia Interlocal Risk Sharing Association RE, LLC, (the Pool) annual comprehensive financial report presents a discussion and analysis of the Pool's financial performance during the fiscal years ended June 30, 2025 and 2024. Please read it in conjunction with your review of the Pool's consolidated financial statements.

FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2024

- For the year ended June 30, 2025 the change in net position was \$32,120,235 as compared to changes in net position of \$17,339,698 in 2024 and \$20,492,112 in 2023. This brings total net position as of June 30, 2025 to \$174,426,861, which represents a 22.6% increase as compared to June 30, 2024. The increase in net position from June 30, 2023 to June 30, 2024 was 13.9%.
- Operating revenues increased 4.5% or \$3,152,323 in 2025 following an increase of 2.7% or \$1,869,392 in 2024. Operating revenues are derived primarily from member contributions for insurance coverage, which are dependent on many factors including changes in the Pool's members, members' exposures, member loss experience, as well as underwriting rates. The Pool uses various member exposures to determine member contributions based on the type of member and the line of coverage. These exposures may include any of the following factors individually or in combination: net operating expenses, payrolls, payroll classifications, building values, number and type of automobiles, and school enrollment. The increase in 2025 and 2024 are attributable to changes in these factors.
- Operating expenses decreased 1.2% or \$823,601 in 2025 following an increase of 32.3% or \$16,526,183 in 2024. Operating expenses consists of provision for losses, reinsurance, program administration fees and other expenses. Provision for losses represents 51.5% of the Pool's operating expenses for 2025 and 54.9% of operating expenses for 2024. The provision for losses decreased \$2,778,140 in 2025 from 2024. Both 2025 and 2024 experienced favorable loss development in prior years of \$27,589,017 and \$22,419,901, respectively. The higher development in 2025 resulted in a lower provision for loss. Such favorable development should decrease over time as reserves are lowered. See Note F. The increase was distributed across multiple lines of coverage and various fund years.
- Non-operating income increased by \$10,804,613 in 2025, following an increase of \$11,504,377 in 2024. Non-operating income consists of investment income, net increase or decrease in fair value of investments and non-operating expenses. Investment income increased \$1,454,907 or 13.3% in 2025 and increased \$1,912,538 or 21.1% in 2024. The fair value of investments increased \$14,177,360 which represents an improvement of \$9,424,626 from the prior year loss. The net increase or decrease in the fair value of investments is dependent on many factors including the type of security, the maturity date, the credit worthiness of the issuer as well as changes in the general economy. The changes in fair value of investments in both years were attributable to changes in these factors. Generally, when interest rates rise the value of securities held in the portfolio drop.

Virginia Risk Sharing Association and Subsidiaries
Management's Discussion and Analysis, Continued

June 30, 2025 and 2024

OVERVIEW OF THE CONSOLIDATED FINANCIAL STATEMENTS

This annual report consists of three parts – *management's discussion and analysis* (this section), the *audited consolidated financial statements* consisting of consolidated statements of net position; consolidated statements of revenues, expenses, and changes in net position; consolidated statements of cash flows; and related footnotes, the *required supplementary information, and other supplementary information*.

Consolidated Statements of Net Position provide an indication of the Pool's financial health by reporting the difference between total assets and total liabilities and how they have changed from the prior year. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Pool is improving or deteriorating.

Consolidated Statements of Revenues, Expenses and Changes in Net Position report all of the revenues and expenses during the time periods indicated as well as the change in net position during the year. The Pool reports information using the full accrual basis of accounting similar to that used by private-sector companies. This means all revenues and expenses, including estimated items, are recognized regardless of whether cash has been received or paid.

Consolidated Statements of Cash Flows report the cash provided and used by operating activities as well as other cash sources such as investment income. A major source of operating cash inflow was member contributions, while claims and claim adjustment expenses represented the main operating cash outflow.

Notes to Consolidated Financial Statements provide additional information and schedules that are essential to a complete understanding of the data provided in the consolidated financial statements.

Required supplementary information consists of the *Liability for Unpaid Losses, Net, by Type of Contract*, and the *Ten-Year Claims Development Information*, and other supplementary information consists of the *Supplementary Consolidated Schedule of Revenues and Expenses by Line of Coverage*. This information further explains and supports the information in the audited basic consolidated financial statements.

Virginia Risk Sharing Association and Subsidiaries
Management's Discussion and Analysis, Continued

June 30, 2025 and 2024

FINANCIAL ANALYSIS OF THE POOL

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	2025-2024 Percentage change	<u>June 30, 2023</u>	2024-2023 Percentage change
Current assets	\$ 76,769,003	\$ 69,501,585	10.5%	\$ 80,804,972	-14.0%
Capital assets	3,455,031	3,794,533	(8.9)	3,917,320	(3.1)
Noncurrent assets	<u>313,281,221</u>	<u>290,741,209</u>	7.8	<u>265,757,868</u>	9.4
Total assets	<u>393,505,255</u>	<u>364,037,327</u>	8.1	<u>350,480,160</u>	3.9
Current liabilities	31,612,230	32,074,733	(1.4)	26,349,955	21.7
Noncurrent liabilities	<u>187,466,164</u>	<u>189,655,968</u>	(1.2)	<u>199,163,277</u>	(4.8)
Total liabilities	<u>219,078,394</u>	<u>221,730,701</u>	(1.2)	<u>225,513,232</u>	(1.7)
Net Position:					
Net investment in					
capital assets	3,455,031	3,794,533	(8.9)	3,917,320	(3.1)
Unrestricted	148,159,566	116,429,180	27.3	99,664,499	16.8
Restricted by regulation	<u>22,812,264</u>	<u>22,082,913</u>	3.3	<u>21,385,109</u>	3.3
Total net position	<u>\$ 174,426,861</u>	<u>\$ 142,306,626</u>	22.6	<u>\$ 124,966,928</u>	13.9

- Total assets increased 8.1% or \$29,467,928 and increased 3.9% or \$13,557,167 at June 30, 2025 and June 30, 2024 as compared to prior years, respectively. The changes in investments accounts for most of the changes in total assets in both 2025 and 2024, respectively. The Pool historically reinvests interest payments in new securities as they are received during the year as well as periodically allocating new funds to investments when able. Fair value adjustments positively and negatively impacted investment balances in 2025 and 2024, respectively.
- Total capital assets decreased 8.9% or \$339,502 and 3.1% or \$122,787 at June 30, 2025 and June 30, 2024 as compared to prior years, respectively. The decrease in capital assets in both years primarily related to net changes in asset additions and disposals and depreciation. See Note G.
- Total liabilities decreased 1.2% or \$2,652,307 and decreased 1.7% or \$3,782,531 at June 30, 2025 and June 30, 2024 as compared to the prior years, respectively. The majority of the changes in both years results from changes in loss reserves which are based on actuarial analyses that reflect recent settlements, claim frequency, and other economic and social factors.

Virginia Risk Sharing Association and Subsidiaries

Management's Discussion and Analysis, Continued

June 30, 2025 and 2024

- Total net position increased 22.6% or \$32,120,235 and increased 13.9% or \$17,339,698 at June 30, 2025 and at June 30, 2024 as compared to prior years, respectively. Net position consists of: net investment in capital assets, amounts unrestricted for the Pool's general operations, and amounts restricted for regulatory requirements. The establishment of the restricted amount is required by the State Corporation Commission Bureau of Insurance of the Commonwealth of Virginia (the Commission) regulations. Net position classified as restricted may only be used with the Commission's approval. See Note E. Restricted net position increased \$729,351 and \$697,804 for the years ended June 30, 2025 and 2024, respectively, in accordance with the Commission's regulations.

Virginia Risk Sharing Association and Subsidiaries
Management's Discussion and Analysis, Continued

June 30, 2025 and 2024

SUMMARY OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION OF THE POOL

	2025	2024	2025-2024 Percentage change	2023	2024-2023 Percentage change
Operating revenues:					
Member contributions	\$ 73,119,867	\$ 69,963,887	4.5%	\$ 68,113,443	2.7%
Miscellaneous income	159,783	163,440	(2.2)	144,492	13.1
Total operating revenues	<u>73,279,650</u>	<u>70,127,327</u>	4.5	<u>68,257,935</u>	2.7
Operating expenses:					
Provision for losses and loss adjustment expense	34,432,906	37,211,046	(7.5)	23,583,618	57.8
Program administration costs	13,279,199	13,106,564	1.3	13,028,976	0.6
Reinsurance premiums	19,198,930	17,417,026	10.2	14,595,859	19.3
Total operating expenses	<u>66,911,035</u>	<u>67,734,636</u>	(1.2)	<u>51,208,453</u>	32.3
Operating income (loss)	<u>6,368,615</u>	<u>2,392,691</u>	166.2	<u>17,049,482</u>	(86.0)
Non-operating revenues and losses:					
Investment income	12,410,521	10,955,614	13.3	9,043,076	21.1
Net increase (decrease) in fair value of investments	<u>14,177,360</u>	<u>4,752,734</u>	198.3	<u>(4,848,793)</u>	(198.0)
Net nonoperating revenues and losses	<u>26,587,881</u>	<u>15,708,348</u>	69.3	<u>4,194,283</u>	274.5
Non-operating expenses:					
Other nonoperating expenses	<u>836,261</u>	<u>761,341</u>	9.8	<u>751,653</u>	1.3
Non-operating income (loss)	<u>25,751,620</u>	<u>14,947,007</u>	72.3	<u>3,442,630</u>	334.2
Change in net position	32,120,235	17,339,698	85.2	20,492,112	(15.4)
Net position:					
Beginning of year	<u>142,306,626</u>	<u>124,966,928</u>	13.9	<u>104,474,816</u>	19.6
End of year	<u>\$ 174,426,861</u>	<u>\$ 142,306,626</u>	22.6	<u>\$ 124,966,928</u>	13.9

Comments

- Member contributions increased 4.5% or \$3,155,980 during the year ended June 30, 2025 and 2.7% or \$1,850,444 during the year ended June 30, 2024. Member contributions are dependent on numerous factors including member payrolls; payroll classifications; lines of coverage; quantity and value of owned property; member loss experience, as well as underwriting rates. The increases in 2025 and 2024 are attributable to changes in these factors.
- Miscellaneous income decreased 2.2% or \$3,657 in 2025 and increased 13.1% or \$18,948 in 2024. Miscellaneous income includes compensation for placing certain coverages with other insurance providers that cannot be written within the Pool, as well as other services provided by the Pool for a fee. The changes in 2025 and 2024 were primarily due to changes in compensation for placing coverages outside of the Pool.

Virginia Risk Sharing Association and Subsidiaries

Management's Discussion and Analysis, Continued

June 30, 2025 and 2024

- Provision for losses decreased by 7.5% or \$2,778,140 for the year ended June 30, 2025 and increased by 57.8% or \$13,627,428 for the year ended June 30, 2024. Losses are determined by actuarial analysis and include many factors, such as historical patterns, anticipated inflation and current retention levels. The provision for losses and loss adjustment expenses in 2025 was \$34,432,906. This represented a loss ratio (losses and loss adjustment expenses incurred divided by net member contributions) of 47.1% for 2025. The provision for losses and loss adjustment expenses in 2024 was \$37,211,046. This represented a loss ratio of 53.2% for 2024. At each year end, a liability is recorded representing the estimated reserve for losses and loss adjustment expenses. As more information subsequently becomes available, changes in the estimated liability are reflected in current operations. Such changes in the estimated reserve for losses and loss adjustment expenses are referred to as development. Favorable (downward) development in the reserves of \$27,589,017 for accident years 2024 and prior emerged in 2025 and \$22,419,901 of favorable development in the reserves for accident years 2023 and prior emerged in 2024. Accordingly, losses and loss adjustment expenses reported in the respective years were adjusted by such development. No one claim attributed significantly to this development.
- Included in the provision for losses is unallocated loss adjustment expense (ULAE). The provision for ULAE increased 7.9% to (\$1,899,999) for the year ended June 30, 2025 and decreased 190.4% to (\$1,760,439) for the year ended June 30, 2024. ULAE represents the estimated costs to administer claims which remained open as of year-end and for which the Pool has an obligation to handle to closure. Unallocated loss adjustment expenses are determined by actuarial analysis and include many factors, such as historical patterns, anticipated inflation and current retention levels. The changes in both years are reflective of these factors.
- Program administration costs increased 1.3% or \$172,635 and 0.6% or \$77,588 for the years ended June 30, 2025 and 2024, respectively. Program administration costs consists of all costs necessary to operate the Pool including: salaries and benefits; information technology; travel; postage and supplies; taxes and insurance, as well as program promotion. The increases in 2025 and 2024 are attributable to changes in these costs.
- Reinsurance premiums increased 10.2% or \$1,781,904 for the year ended June 30, 2025 and 19.3% or \$2,821,167 for the year ended June 30, 2024. Reinsurance expense is dependent on many factors including the reinsurers' policy limits, the Pool's retention amounts, the Pool's members' exposures as well as the reinsurers' underwriting rates. The change in reinsurance expense in both 2025 and 2024 was a result of changes in these factors. Generally reinsurance costs move inversely to the amount of the claim retention. Each year the Pool reviews its reinsurance needs and makes decisions based on the affordability and availability of coverage as well as the Pool's ability to absorb potentially higher claim costs resulting from higher retention levels.
- Investment income increased 13.3% or \$1,454,907 for the year ended June 30, 2025 and increased 21.1% or \$1,912,538 for the year ended June 30, 2024. Investment income is dependent on many factors including the type and maturity of the investment, the number of securities in the portfolio, the rate at which the investment was originally purchased and the credit worthiness of the issuer. The changes in 2025 and 2024 are attributable to changes in these factors.

Virginia Risk Sharing Association and Subsidiaries

Management's Discussion and Analysis, Continued

June 30, 2025 and 2024

- The fair value of investments increased by \$14,177,360 in 2025 and increased by \$4,752,734 in 2024. The net increase or decrease in the fair value of investments is dependent on many factors including the type of security, the maturity date, the credit worthiness of the issuer as well as changes in the general economy. The changes in fair value of investments in both years were attributable to changes in these factors. The fair value of investments generally moves inversely with changes in interest rates.
- Non-operating expenses increased 9.8% or \$74,920 in 2025 and increased 1.3% or \$9,688 in 2024. Nonoperating expenses consists of investment fees and grants. Investment fees are based on the fair value of investments as well as the rates charged by the investment manager. The grant program is approved each year by the Board with the overall amount based on available Pool resources. Grants are awarded to members to assist with their individual loss control efforts.

CONTACTING THE POOL'S FINANCIAL MANAGEMENT

This financial report is designed to provide members and creditors with a general overview of the Pool's finances and to demonstrate the Pool's accountability for the money it receives. Persons with questions concerning this report or requests for additional financial information should direct them to Jeffrey Nickey, Deputy Managing Director, P.O. Box 3239, Glen Allen, Virginia 23058, or visit the Pool's website at www.vrsa.us.

Virginia Risk Sharing Association and Subsidiaries

Consolidated Statements of Net Position

Assets	As of June 30,	
	2025	2024
Current assets:		
Cash and cash equivalents	\$ 13,499,305	\$ 18,517,595
Investments	49,952,012	44,171,817
Accounts and contributions receivable	1,762,118	1,304,690
Accrued interest receivable	2,418,401	2,289,085
Reinsurance receivable	9,059,079	3,076,394
Prepaid expenses	78,088	142,004
Total current assets	<u>76,769,003</u>	<u>69,501,585</u>
Noncurrent assets:		
Capital assets		
Building and improvements	5,438,965	5,407,417
Furniture and equipment	2,422,960	2,416,694
Less accumulated depreciation	(4,406,894)	(4,029,578)
	<u>3,455,031</u>	<u>3,794,533</u>
Investments	313,121,221	290,581,209
Restricted deposit	160,000	160,000
Total non-current assets	<u>316,736,252</u>	<u>294,535,742</u>
Total assets	<u>\$ 393,505,255</u>	<u>\$ 364,037,327</u>
Liabilities and Net Position		
Current liabilities:		
Liability for unpaid losses, net	\$ 26,780,880	\$ 27,465,018
Contributions collected in advance	2,841,851	2,559,635
Reinsurance payable	34,083	119,949
Other liabilities	1,955,416	1,930,131
Total current liabilities	<u>31,612,230</u>	<u>32,074,733</u>
Noncurrent liabilities:		
Liability for unpaid losses, net	187,466,164	189,655,968
Total liabilities	<u>219,078,394</u>	<u>221,730,701</u>
Net position:		
Net investment in capital assets	3,455,031	3,794,533
Unrestricted	148,159,566	116,429,180
Restricted by regulation - contingency reserve (see Note E)	22,812,264	22,082,913
Total net position	<u>174,426,861</u>	<u>142,306,626</u>
Total liabilities and net position	<u>\$ 393,505,255</u>	<u>\$ 364,037,327</u>

See accompanying notes to the consolidated financial statements.

Virginia Risk Sharing Association and Subsidiaries

Consolidated Statements of Revenues, Expenses, and Changes in Net Position

	Years Ended June 30,	
	<u>2025</u>	<u>2024</u>
Operating revenues:		
Member contributions	\$ 73,119,867	\$ 69,963,887
Miscellaneous income	<u>159,783</u>	<u>163,440</u>
Total operating revenues	73,279,650	70,127,327
Operating expenses:		
Provision for losses and loss adjustment expenses	34,432,906	37,211,046
Program administration costs	13,279,199	13,106,564
Reinsurance premiums	<u>19,198,930</u>	<u>17,417,026</u>
Total operating expenses	<u>66,911,035</u>	<u>67,734,636</u>
Operating income	6,368,615	2,392,691
Non-operating revenues and losses:		
Investment income	12,410,521	10,955,614
Net increase in fair value of investments	<u>14,177,360</u>	<u>4,752,734</u>
Total nonoperating revenues, net	26,587,881	15,708,348
Non-operating expenses	<u>836,261</u>	<u>761,341</u>
Non-operating income, net	<u>25,751,620</u>	<u>14,947,007</u>
Change in net position	32,120,235	17,339,698
Net position at beginning of year	<u>142,306,626</u>	<u>124,966,928</u>
Net position at end of year	<u>\$ 174,426,861</u>	<u>\$ 142,306,626</u>

See accompanying notes to the consolidated financial statements.

Virginia Risk Sharing Association and Subsidiaries

Consolidated Statements of Cash Flows

	Years Ended June 30,	
	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Receipts from members	\$ 72,944,655	\$ 70,933,283
Payments for reinsurance premiums	(19,284,796)	(17,381,065)
Receipts from reinsured claims	3,276,228	9,608,653
Payments for claims and claims adjustment expenses	(46,565,761)	(51,034,363)
Receipts from miscellaneous income	159,783	163,440
Payments for administrative and general expenses	(12,803,696)	(11,234,041)
Net cash (used in) provided by operating activities	<u>(2,273,587)</u>	<u>1,055,907</u>
Cash flows from noncapital financing activities:		
Risk management grants	(399,062)	(354,099)
Net cash used for noncapital financing activities	<u>(399,062)</u>	<u>(354,099)</u>
Cash flows from capital and related financing activities:		
Purchase of property and equipment	(46,800)	(330,055)
Net cash used for capital and related financing activities	<u>(46,800)</u>	<u>(330,055)</u>
Cash flows from investing activities:		
Proceeds from calls and maturities of investments	89,628,546	67,398,511
Purchases of investments	(103,771,393)	(81,746,309)
Investment income	11,844,006	10,092,382
Net cash used in investing activities	<u>(2,298,841)</u>	<u>(4,255,416)</u>
Net change in cash and cash equivalents	(5,018,290)	(3,883,663)
Cash and cash equivalents:		
Beginning of year	18,517,595	22,401,258
End of year	<u>\$ 13,499,305</u>	<u>\$ 18,517,595</u>
Reconciliation of operating income to net cash from operating activities:		
Operating income	\$ 6,368,615	\$ 2,392,691
Adjustments to reconcile operating income to net cash from operating activities:		
Depreciation expense	386,302	452,842
Provision for losses	(2,873,942)	(4,171,545)
Changes in assets and liabilities:		
Accounts and contributions receivable	(457,428)	919,139
Reinsurance receivable	(5,982,685)	(43,119)
Other prepaids	63,916	1,116,885
Contributions collected in advance	282,216	50,257
Reinsurance payable	(85,866)	35,961
Other liabilities	25,285	302,796
Net cash (used in) provided by operating activities	<u>\$ (2,273,587)</u>	<u>\$ 1,055,907</u>
Noncash investing activities:		
Increase in fair value of investments	<u>\$ 14,177,360</u>	<u>\$ 4,752,734</u>

See accompanying notes to the consolidated financial statements.

Virginia Risk Sharing Association and Subsidiaries

Notes to Consolidated Financial Statements

Note A – Organization and Nature of Operations

The Pool is an unincorporated association formed for the purpose of establishing risk management programs in accordance with the laws of the Commonwealth of Virginia. The Pool commenced operations on July 1, 1986 as the Virginia Municipal Liability Pool (VMLP) and assumed the name VML Insurance Programs effective July 1, 2010 while simultaneously merging with the Virginia Municipal Group Self Insurance Association (VMGSIA).

On March 14, 2019, The Pool's Board voted to change the name of the Pool from VML Insurance Programs to Virginia Risk Sharing Association effective July 1, 2019. The new name better reflects the Pool's breadth of membership and emphasizes the collaborative nature of public entity risk pooling. For all practical purposes the Pool began using the new name upon passage of the resolution.

The Pool provides commercial general liability, automobile physical damage, automobile liability, property, boiler and machinery, fidelity and crime, law enforcement, public officials', workers compensation, cyber, and Line of Duty Act coverage for political subdivisions of the Commonwealth of Virginia. The Pool also provides excess liability coverage to its members, which is to a large extent reinsured, as approved by the State Corporation Commission, Bureau of Insurance of the Commonwealth of Virginia ("the Commission").

Members may withdraw from the Pool upon thirty (30) days advance written notice to the Board. After a Member has been in the Pool for three (3) consecutive years, the Member may withdraw upon thirty (30) days written notice to the Board and shall be entitled to share in any surplus assets of the fund; upon such termination however, the Member will not receive any refunds of paid contributions, assessments or investment income.

As required by Commission regulations, members of group self-insurance pools may be subject to an assessment for any fund years in which they participated in such pool. Members purchasing workers' compensation coverage are jointly and severally liable to the other members purchasing workers' compensation coverage pursuant to Va. Code § 15.2-2703(C), and membership in the Pool shall not relieve the Member's obligations imposed by Title 65.2 of the Virginia Code as an employer to its employees.

Members of the Pool are not jointly and severally liable for losses which do not arise out of the workers' compensation line of coverage. In addition, a member of the Pool which does not purchase workers' compensation coverage shall not be jointly and severally liable for workers' compensation losses. In the event of the Pool's deficit as to all lines other than workers' compensation coverage, the Pool may require an assessment of all members purchasing coverages other than workers' compensation coverage in the proportion which the contribution of each member bears to the total contributions of all members in the year in which such deficit occurs; provided, however, in no event shall such assessment exceed two (2) times the member's annual contribution.

No such assessments have ever been required during the Pool's existence. Pool members as of June 30, 2025 included 465 cities, towns, counties, and other political subdivisions. Pool membership as of June 30, 2024 included 476 cities, towns, counties, and other political subdivisions.

Effective September 1, 2013, VRSA formed the Virginia Local Government Risk Agency, LLC (VLGRA). VLGRA is a wholly owned subsidiary of VMLIP, created as a disregarded entity for tax purposes to place certain types of insurance coverage that cannot be written within the Pool. VLGRA is an insurance agency and will be primarily used for flood insurance and short-term disability.

Virginia Risk Sharing Association and Subsidiaries

Notes to Consolidated Financial Statements, Continued

Note A – Organization and Nature of Operations, Continued

On July 1, 2018 the Pool created Virginia Interlocal Risk Sharing Association RE, LLC (VIRSA RE), a captive reinsurance company. VIRSA RE is a single member LLC for tax purposes utilizing the core/cell captive structure. The benefits of creating a captive include: establishing a formal mechanism to set aside funds to manage losses in certain layers of risk; retaining a portion of risk in a historically profitable layer; and addressing unique coverage needs not readily available in the commercial markets.

Currently the Pool utilizes the captive for a portion of the workers compensation and liability lines of coverage. The Pool may expand both the amounts of reinsurance and lines of coverage placed through the captive in the future.

As wholly owned subsidiaries of the Pool, the financial results of VIRSA RE and VLGRA are included in the Pool's ACFR.

Note B – Summary of Significant Accounting Policies

Basis of Accounting

The accounting policies of the Pool follow generally accepted accounting principles ("GAAP") applicable to public entity risk pools, as prescribed by Governmental Accounting Standards Board ("GASB"). The Pool uses the economic resources measurement focus and the accrual basis of accounting and is accounted for as a proprietary fund.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and the accompanying notes. Such estimates and assumptions could change in the future as more information becomes known, which could impact the amounts reported and disclosed therein. Significant estimates included in these consolidated financial statements primarily relate to the assumptions and methods used to estimate the liability for unpaid losses as described below.

The industry in which the Pool operates is affected by numerous factors and circumstances, some of which cannot be predicted or controlled. Among them are (1) an insurers' ability to enter into suitable future reinsurance agreements is subject to prevailing conditions in the reinsurance markets which may change risk-retention levels; (2) fluctuations in interest rates affect the value and income yield of an insurer's investment portfolio in the short-term, and often affect default and prepayment rates over time; (3) future inflation may result in ultimate loss settlements different from the amounts originally anticipated; (4) catastrophic or unusual losses, such as the effects of the terrorist attacks of September 11, 2001 and COVID-19 pandemic of 2020, may distort historical experience; and (5) losses may not fully emerge for several years following the year in which the insured event occurred. Should any of these or similar events occur, the Pool's operating results and financial condition may be affected.

Investments

The Pool accounts for its investments in accordance with GASB guidance for accounting and financial reporting for certain investments and for external investment pools. The standard establishes fair value standards on accounting for all investments held by governmental external investment pools and governmental entities. All investment income, including changes in the fair value of investments, is recognized in the consolidated statements of revenues, expenses, and changes in net position.

Virginia Risk Sharing Association and Subsidiaries

Notes to Consolidated Financial Statements, Continued

Note B – Summary of Significant Accounting Policies, Continued

Investments, Continued

Investments are stated at fair value based on quoted market prices or a recognized pricing service. Interest income is reported at the stated interest rate and any premium or discounts on debt securities are not amortized.

In accordance with GASB guidance, certain disclosures regarding deposit and investment risks have been provided in Note D.

Fair Value Measurements

GASB has issued guidance for measurement and disclosure of fair value and establishes a hierarchy that prioritizes the inputs to valuation techniques giving the highest priority to readily available unadjusted quoted prices in active markets for identical assets (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements) when market prices are not readily available or reliable. The three levels of the hierarchy are described below:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability and market-corroborated inputs.

Level 3: Prices determined using significant unobservable inputs, in situations where quoted prices or observable inputs are unavailable or deemed less relevant (for example, when there is little or no market activity for an investment at the end of the period), unobservable inputs may be used. These reflect the Pool's own assumptions about the factors market participants would use in pricing an investment, and would be based on the best information available.

From time to time, changes in market conditions may result in reclassification of an investment's assigned level within the hierarchy.

Cash and Cash Equivalents

The Pool defines cash and cash equivalents as investments in the Local Government Investment Pool ("LGIP") and all cash and highly liquid investments with original maturities of three months or less.

As of June 30, 2025 and 2024, \$279,811 and \$266,812, respectively, of cash and cash equivalents was invested in the LGIP. The fair value of the Pool's position in the LGIP pool is the same as the value of the Pool's shares. The Department of Treasury of the Commonwealth of Virginia manages the LGIP, a fund similar to a money market fund, which invests in bankers' acceptances, certificates of deposit, commercial paper, repurchase agreements, and U.S. Treasury notes. All LGIP investments may be converted into cash within 90 days. As of June 30, 2025 and 2024, the Pool's investment in the LGIP was rated AAAM by Standards & Poor.

Virginia Risk Sharing Association and Subsidiaries

Notes to Consolidated Financial Statements, Continued

Note B – Summary of Significant Accounting Policies, Continued

Cash and Cash Equivalents, Continued

The Pool maintains its cash balances at several financial institutions. The Federal Depository Insurance Corporation ("FDIC") secures accounts up to \$250,000 at these institutions. The bank balances exceeding those covered by FDIC are protected under the provisions of the Virginia Security for Public Deposits Act ("the Deposits Act"). Under the Deposits Act, banks holding public deposits in excess of the amounts insured by FDIC must pledge collateral in the amount of 50% of excess deposits to a collateral pool ("the Collateral Pool") in the name of the State Treasury Board.

The State Treasury is responsible for monitoring compliance with the collateralization and reporting requirements of the Deposits Act and for notifying local governments of compliance by banks. If any member financial institution fails, the entire collateral becomes available to satisfy claims of the Collateral Pool. If the value of the Collateral Pool's collateral is inadequate to cover a loss, additional amounts would be assessed on a pro rata basis to the members (banks) of the Collateral Pool. Therefore, these deposits are considered collateralized and as a result, are considered insured.

Capital Assets

The building, furniture, equipment and software are stated at cost as of the date of utilization less accumulated depreciation and amortization. The Pool capitalizes property and equipment greater than \$1,000. Depreciation and amortization is recorded using the straight-line method over the estimated useful lives of the assets. The Pool estimates the useful life of the building to be 40 years, and 3-7 years for furniture, equipment and software.

Classification of Revenues and Expenses

The Pool has classified its revenues and expenses as either operating or non-operating. Operating revenues and expenses relate to insurance premiums and include billing for insurance premiums and payment of claims and excess insurance premiums and program administrative fees. All other revenues and expenses are classified as non-operating and include investment income, the change in fair value of investments, safety grants and other miscellaneous expenses.

Compensated Absences

Employees can carry over a maximum of 60 days and directors can carry over a maximum of 90 days of accumulated leave at year end. Compensated absences balances decreased \$94,938 during 2025 and increased \$20,485 during 2024.

Liability for Unpaid Losses

The reserve for losses and loss adjustment expenses ("LAE") is based on the estimated ultimate cost of settling claims, including the effects of inflation and other societal and economic factors. The length of time for which such costs must be estimated varies depending on the coverage involved. In estimating the reserve for losses and LAE, management uses the findings of a consulting actuary. Such reserves are presented net of reinsurance recoverable on unpaid losses and LAE. Reinsurance recoverables are not collected until after such losses are paid by the Pool. Estimated amounts of salvage and subrogation are deducted from the liability for unpaid losses. Management believes the reserve for losses and LAE represents its best estimate of the ultimate cost of settling claims. However, because of future events beyond the control of management, such as changes in approved benefit rates, changes in law, judicial interpretations of law or inflation, actual loss experience may not conform to the assumptions used in determining the estimated amounts for such liability. Accordingly, the ultimate liability could be significantly in excess of or less than the amount indicated in the consolidated financial statements. As adjustments to these estimates become necessary, such adjustments are reflected in current operations.

Virginia Risk Sharing Association and Subsidiaries

Notes to Consolidated Financial Statements, Continued

Note B – Summary of Significant Accounting Policies, Continued

Reinsurance

The Pool maintains reinsurance agreements with various reinsurance carriers, including but not limited to VIRSA RE a wholly owned subsidiary, to reduce its exposure to large losses on insured events. Reinsurance provides for recovery of losses in excess of the specified retention limit up to the reinsurance policy limits, although it does not discharge the primary liability of the Pool with respect to the covered risks.

The Pool evaluates the financial condition of its reinsurers and monitors concentrations of credit risk to minimize exposure to losses from reinsurer insolvencies. In preparing consolidated financial statements, management makes estimates of amounts recoverable from reinsurers, which include consideration of amounts, if any, estimated to be uncollectible by management. Management evaluated the creditworthiness of its reinsurers and determined that no valuation allowance was required as of June 30, 2025 and 2024. In the event that any or all of the reinsuring companies are unable to meet their obligations under existing agreements, the Pool would be liable for such defaulted amounts.

Amounts recoverable from reinsurers for unpaid losses and LAE are estimated in a manner consistent with the reserve for losses and LAE associated with the reinsured policies. Reinsurance recoverables on paid losses and LAE are presented as an asset in the accompanying consolidated statements of net position. Reinsurance recoverable from unpaid losses was \$27,614,839 and \$27,172,035 as of June 30, 2025 and 2024, respectively, and is netted against the liability for unpaid losses on the consolidated statements of net position. The increase of 1.6% in 2025 is primarily related to workers compensation claims that reflect higher anticipated medical costs in the future. As of June 30, 2025 and 2024, the total reinsurance recoverable on paid losses was \$9,059,079 and \$3,076,394, respectively.

Reinsurance Retention Limits

For workers compensation, the Pool maintained aggregate reinsurance, which limited its aggregate losses for fund years ended June 30, 1981 to 1987 to a specified annual retention level. For all fund years, the Pool has maintained excess of loss coverage per occurrence up to the statutory limit applicable for that fund year. The Pool is fully responsible for the base retention level and the quota share of any amounts above that retention level up to the upper limit. The Pool is reinsured for losses greater than \$750,000 in 2025, 2024 and 2023.

For liability lines, the Pool maintains an occurrence basis reinsurance agreement related to each particular line of coverage to reduce its exposure to large losses. The property reinsurance includes catastrophe coverage to limit the Pool to damages resulting from a single event.

The Pool's reinsurance provides for recovery of all or a portion of the losses in excess of the retention limits up to the reinsurance policy limits, although it does not discharge the primary liability of the Pool with respect to covered risks. For the year ended June 30, 2025, the Pool's retention limits per loss occurrence ranged from \$250,000 to \$1,000,000, depending on the line of coverage. Each year the Pool reviews its reinsurance needs and makes decisions based on the affordability and availability of coverage as well as the Pool's ability to absorb potentially higher claim costs resulting from higher retention levels.

Virginia Risk Sharing Association and Subsidiaries

Notes to Consolidated Financial Statements, Continued

Note B – Summary of Significant Accounting Policies, Continued

Reinsurance Retention Limits, Continued

Effective July 1, 2018, the Pool purchased reinsurance from VIRSA RE a wholly owned subsidiary of the Pool. VIRSA RE provides workers compensation and liability reinsurance on a per occurrence basis up to a specified aggregate retention based on the line of coverage being reinsured. For workers compensation, VIRSA RE provides per occurrence coverage up to \$1,250,000 for claims in excess of \$750,000 up to an aggregate limit of \$2,000,000. For liability, VIRSA RE provides up to \$1,500,000 of per occurrence coverage for claims in excess of \$1,000,000 up to an aggregate limit of \$1,750,000. For Cyber, VIRSA RE provides up to \$750,000 per occurrence coverage subject to a \$2,000,000 aggregate limit.

Members' Contributions, Contributions Receivable and Contributions Collected in Advance

Contributions are assessed on an individual member basis in advance of each fund year and are considered to be earned in the fund year to which they apply. Members' contributions for workers compensation are calculated based on rate tables established by the National Council on Workers' Compensation Insurance and loss cost ratings approved by the Commission. Members' contributions for liability lines are calculated based on rates provided by actuaries and reinsurers. All contributions are adjusted, where applicable, for individual member experience. Contributions received prior to the fund year to which they apply are classified as contributions collected in advance on the consolidated statements of net position. Premiums ceded to other companies pursuant to reinsurance agreements have been reported as reinsurance expense.

Accounts and contributions receivable consist primarily of billed premiums not yet collected. Management anticipates no uncollectible accounts, and therefore, has not established an allowance for doubtful accounts.

When the anticipated future losses and loss adjustment expenses exceed the related unearned premium reserve, a premium deficiency reserve is recognized by recording an additional liability for the deficiency. The Pool anticipates investment income as a factor in the premium deficiency reserve calculation. No premium deficiency reserve has been recorded as of June 30, 2024 and 2025.

Income Taxes

The Pool has received a ruling from the Internal Revenue Service that the income of the Pool is excludable from gross income under Section 115 of the Internal Revenue Code. Accordingly, the accompanying consolidated financial statements do not include a provision for federal and state income taxes. Management has concluded that the Pool has properly maintained its exempt status, and there are no uncertain tax positions as of June 30, 2025 and 2024. The Pool is not currently under audit by any tax jurisdiction.

Subsequent Events

The Pool has evaluated subsequent events for disclosure and recognition through December 30, 2025, the date on which these consolidated financial statements were available to be issued, and has determined there are no subsequent events to be reported in the accompanying consolidated financial statements.

Virginia Risk Sharing Association and Subsidiaries

Notes to Consolidated Financial Statements, Continued

Note C – Affiliated Organizations and Related-Party Transactions

VRSA serves as administrator for the Virginia Local Government Insurance Association – Joint Powers Agreement (VLGIA). The VLGIA is an association of local governments formed for the purpose of cooperatively procuring group life insurance, accident and health insurance and other employee benefits. VLGIA's governance board is composed of all members of the Members' Supervisory Board of Virginia Risk Sharing Association. VRSA receives a fee for its services rendered as administrator.

The Pool owns and operates VIRSA RE as a captive reinsurer. VIRSA RE is governed by a Board of Directors appointed by the Pool's Board. VIRSA RE is domiciled in North Carolina and utilizes a captive manager for services related to its formation, administration and operation. Claims are administered by Pool staff and VIRSA RE pays the Pool a fee for claims and loss control services. VIRSA RE maintains its own general ledger and bank accounts.

Note D – Deposits and Investments

The Pool's investment policy contains certain provisions and limitations intended to mitigate the Pool's exposure to various investment risks, such as credit risk (including custodial risk and concentration risk) and interest rate risk. The investment policy provides for limitations on the duration of the Pool's portfolio, and mandates that all investments comply with relevant state and federal statutes and regulations. The policy also limits investment in certain types of securities.

To minimize credit risk the Pool limits how much of the portfolio can be invested in one issuer. In some cases the Pool further limits how much of the portfolio can be invested in specific issues of any issuer.

Investments at fair value consist of the following at June 30:

	Fair Value	
	<u>2025</u>	<u>2024</u>
Mutual Funds:		
Large Cap Value	\$ 30,061,117	\$ 26,189,065
Bond Funds	17,769,654	16,247,619
Subtotal	<u>47,830,771</u>	<u>42,436,684</u>
Debt Securities:		
US Treasuries	77,923,968	74,573,378
Corporates	118,726,166	116,607,443
Municipals	11,408,359	15,043,984
US Agency MBS	71,780,759	57,007,386
Asset Backed	24,360,194	19,310,227
CMO	411,459	456,484
CMBS	10,791,557	9,477,441
Subtotal	<u>315,402,462</u>	<u>292,476,343</u>
	<u>\$ 363,233,233</u>	<u>\$ 334,913,026</u>

Virginia Risk Sharing Association and Subsidiaries

Notes to Consolidated Financial Statements, Continued

Note D – Deposits and Investments, Continued

Restricted deposits in the amount of \$160,000 (see Note I) for the years ended June 30, 2025 and 2024, respectively, are included in the fair value of investments noted above.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt instruments will adversely affect the fair value of an investment. To minimize this risk the Pool maintains a target duration identical to its custom benchmark with a duration range of plus or minus one year of that target.

As of June 30, 2025 and 2024, investments are measured at fair value according to the GASB guidance definitions noted in Note B. The Pool's fixed income investment portfolio is valued based on quoted prices for similar instruments in active markets and is classified as Level 2. Mutual funds are valued at the daily closing price as reported by the fund for the shares held at year end and are classified as Level 1 since the funds are quoted on active markets. The inputs or methodology used for valuing securities may not be an indication of the risk associated with investing in those securities.

The fair values of debt securities at June 30, 2025 and 2024, by weighted average life are shown below. Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations prior to maturity with or without call or prepayment penalties.

	2025				
	Due in one year or less	Due after one year through five years	Due after five		Total
			years through ten years	Due after ten years	
US Treasuries	\$ -	\$ 21,639,769	\$ 53,080,035	\$ 3,204,164	\$ 77,923,968
Corporates	2,118,607	38,156,302	72,831,790	5,619,467	118,726,166
Municipals	-	8,991,220	2,391,940	25,199	11,408,359
US Agency MBS	2,634	68,613	648,684	71,060,828	71,780,759
Asset Backed	-	7,594,934	8,730,499	8,034,761	24,360,194
CMO	-	-	-	411,459	411,459
CMBS	-	2,604,662	-	8,186,895	10,791,557
	<u>\$ 2,121,241</u>	<u>\$ 79,055,500</u>	<u>\$ 137,682,948</u>	<u>\$ 96,542,773</u>	<u>\$ 315,402,462</u>

	2024				
	Due in one year or less	Due after one year through five years	Due after five		Total
			years through ten years	Due after ten years	
US Treasuries	\$ 666,576	\$ 12,171,630	\$ 58,364,346	\$ 3,370,826	\$ 74,573,378
Corporates	140,094	49,880,023	62,378,181	4,209,145	116,607,443
Municipals	928,463	11,154,265	2,936,398	24,858	15,043,984
US Agency MBS	-	20,536	937,224	56,049,626	57,007,386
Asset Backed	-	3,123,278	4,368,069	11,818,880	19,310,227
CMO	-	-	-	456,484	456,484
CMBS	-	1,234,561	-	8,242,880	9,477,441
	<u>\$ 1,735,133</u>	<u>\$ 77,584,293</u>	<u>\$ 128,984,218</u>	<u>\$ 84,172,699</u>	<u>\$ 292,476,343</u>

Virginia Risk Sharing Association and Subsidiaries

Notes to Consolidated Financial Statements, Continued

Note D – Deposits and Investments, Continued

Included in investments due after one year is an amount restricted for a specific purpose that is equal to the Pool's restricted by regulation net position shown on the consolidated statements of net position. The weighted average life for securities with call options is based on the market price. If the market price is below par, the average weighted life is the maturity date. If the market price is above par, the weighted average life is the call date. For mortgage and asset backed securities with prepayment options, the Pool utilizes projected prepayment speeds based on third party and proprietary models for forecast weighted average life.

Credit Risk

Credit risk is the risk that an issuer or other counterparts to an investment will not fulfill its obligations. Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Pool will not be able to recover the value of its investments that are in the possession of an outside party.

The following schedule details the credit risk for investments held by the Pool as of June 30:

	Rating	As of June 30, 2025		As of June 30, 2024	
		Amount	Percentage of Portfolio	Amount	Percentage of Portfolio
U.S. Treasuries	AAA	\$ 77,923,969	24.71%	\$ 74,573,378	25.50%
Corporates	AA	10,269,011	3.25%	12,166,679	4.15%
Corporates	A	77,855,261	24.68%	76,332,512	26.10%
Corporates	BBB	30,601,894	9.70%	28,108,252	9.61%
Municipals	AAA	199,893	0.06%	190,430	0.07%
Municipals	AA	8,838,017	2.80%	12,540,452	4.29%
Municipals	A	2,370,449	0.75%	2,313,102	0.79%
U.S. Agency MBS	AA	71,780,759	22.76%	57,007,386	19.49%
Asset Backed	AAA	23,450,202	7.44%	19,310,227	6.60%
Asset Backed	AA	909,991	0.29%	-	0.00%
CMO	AAA	411,459	0.13%	456,484	0.16%
CMBS	AAA	8,186,895	2.60%	8,242,880	2.82%
CMBS	AA	2,604,662	0.83%	1,234,561	0.42%
		<u>\$ 315,402,462</u>	<u>100.00%</u>	<u>\$ 292,476,343</u>	<u>100.00%</u>

There are no investments in any one issuer that represent 5% or more of total investments excluding investments issued or explicitly guaranteed by the U. S. government.

Concentration of Credit Risk

Concentration risk is the risk of loss attributable to the magnitude of an investment in a single issuer.

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the Pool's deposits may not be returned. The Pool's deposits are either fully insured by the Federal Deposit Insurance Corporation or protected under the provisions of the Virginia Security for Public Deposits Act, see Note B.

Virginia Risk Sharing Association and Subsidiaries

Notes to Consolidated Financial Statements, Continued

Note D – Deposits and Investments, Continued

Custodial Credit Risk - Investments

For an investment this is the risk that, in the event of the failure by the counterparty, the Pool will not be able to recover the value of its investments that are in the possession of an outside party. The Pool's investment custodian maintains adequate insurance coverage to mitigate custodial credit risk. The investment in mutual funds is not maintained by the Pool's custodian.

The effective duration is used to assess interest rate risk by estimating the sensitivity of fixed income securities to interest rate changes. The effective duration estimates the percentage change in the fair value of an investment (or an investment portfolio) for a one percent change in interest rates. It makes assumptions regarding the most likely timing and amounts of variable cash flows for investments that are highly sensitive to interest rate changes, such as mortgage-backed securities ("MBS"), callable bonds, and variable-rate debt.

The following were the effective durations of investments held by the Pool as of June 30:

	2025		2024	
	Fair Value	Effective Duration	Fair Value	Effective Duration
U.S. Treasuries	\$ 77,923,968	5.47	\$ 74,573,378	6.12
Corporates	118,726,166	5.05	116,607,443	4.57
Municipals	11,408,359	2.85	15,043,984	3.63
U.S. Agency MBS	71,780,759	6.16	57,007,386	6.13
Asset Backed	24,360,194	1.01	19,310,227	0.21
CMO	411,459	5.43	456,484	4.95
CMBS	10,791,557	3.51	9,477,441	3.31
Total Investments	<u>\$ 315,402,462</u>		<u>\$ 292,476,343</u>	

The effective duration of the custom benchmark at June 30, 2025 and 2024 was 4.84 and 4.87, respectively.

Note E – Net Position

In accordance with regulations of the Commission, at June 30, 2025 and 2024, all net position is to be used for claims, operating expenses, claims costs, establishment of a contingency reserve (restricted by regulation net position), and declaration of dividends. The establishment of a contingency reserve is required by the Commission's regulations. Dividends may be declared and paid at the discretion of the Board subject to approval by the Commission. Net position classified as restricted satisfies the Commission's requirement that 1% or more of the Pool's contributions each year be allocated as a contingency reserve. The Board designated \$729,351 and \$697,804 as additional contingency reserve in 2025 and 2024, respectively. The contingency reserve can be used at the discretion of the Board, including, but not limited to, payment of losses and defense costs, subject to prior approval of the Commission.

Virginia Risk Sharing Association and Subsidiaries

Notes to Consolidated Financial Statements, Continued

Note F – Liability for Unpaid Losses, Net

As discussed in Note B, the Pool establishes an estimated liability for unpaid losses for both reported and unreported insured events occurring as of the consolidated statements of financial position date, which include estimates of both future payments of losses and related claim adjustment expenses. This liability for unpaid losses is estimated by an independent actuary based on claims information as of June 30. The liability for unreported claims is referred to as bulk reserves. As of June 30, 2025 and 2024, bulk reserves totaled \$111,391,985 and \$120,128,680, respectively.

The following represents changes in the liability for unpaid losses, net of the effects of reinsurance, during the years ended June 30:

	2025	2024
Liability for unpaid losses, net		
at beginning of year	\$ 217,120,986	\$ 221,292,531
Provisions for losses:		
Provision for insured events of the current year	62,021,919	57,031,789
Reduction in provision for insured events of prior years	(27,589,013)	(22,419,901)
Total provision for losses	34,432,906	34,611,888
Payments:		
Claims and claims adjustment expenses attributable to insured events of the current year	18,420,781	15,837,839
Claims and claims adjustment expenses attributable to insured events of the prior years	18,886,067	22,945,594
Total payments	37,306,848	38,783,433
Liability for unpaid losses, net, at end of year	\$ 214,247,044	\$ 217,120,986

As a result of changes in estimates related to insured events in prior years, the applicable provisions for claims and claims adjustment expenses were adjusted as indicated in the table above. No individual significant event was responsible for a large portion of the adjustments. In general, during the year ended June 30, 2025, fund years 2007-2008 through 2023-2024 experienced favorable development of \$24,605,770 with funds years 2017-2018 through 2023-2024 accounting for more than three-quarters of that total. Generally, more recent years tend to have a greater development, both favorable and unfavorable, than older years. Such changes result from re-estimation of claims and claims adjustment expenses as the result of claim settlements during the current year and as additional information is received regarding specific claims and loss development trends.

As of June 30, 2025 and 2024, the Pool had purchased a total of \$2,731,297 in annuity contracts from third parties in the name of claimants. No new purchases were made in 2025 or 2024. Purchases of annuity contracts remove the associated liabilities from the liability for unpaid losses.

Virginia Risk Sharing Association and Subsidiaries
Notes to Consolidated Financial Statements, Continued

Note G – Capital Assets

Capital asset activity for the years ended June 30, 2025 and 2024 was as follows:

Capital assets as of June 30, 2025

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, being depreciated:				
Building and improvements	\$ 5,407,417	\$ 37,800	\$ (6,252)	\$ 5,438,965
Furniture and equipment	2,416,694	9,000	(2,734)	2,422,960
Total capital assets, being depreciated	<u>7,824,111</u>	<u>46,800</u>	<u>(8,986)</u>	<u>7,861,925</u>
Less accumulated depreciation for:				
Building and improvements	(1,964,921)	(219,428)	6,252	(2,178,097)
Furniture and equipment	(2,064,657)	(166,874)	2,734	(2,228,797)
Total accumulated depreciation	<u>(4,029,578)</u>	<u>(386,302)</u>	<u>8,986</u>	<u>(4,406,894)</u>
Total capital assets, being depreciated, net	<u>\$ 3,794,533</u>	<u>\$ (339,502)</u>	<u>\$ -</u>	<u>\$ 3,455,031</u>

Capital assets as of June 30, 2024

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, being depreciated:				
Building and improvements	\$ 5,183,684	\$ 223,733	\$ -	\$ 5,407,417
Furniture and equipment	2,310,372	106,322	-	2,416,694
Total capital assets, being depreciated	<u>7,494,056</u>	<u>330,055</u>	<u>-</u>	<u>7,824,111</u>
Less accumulated depreciation for:				
Building and improvements	(1,748,495)	(216,426)	-	(1,964,921)
Furniture and equipment	(1,828,241)	(236,416)	-	(2,064,657)
Total accumulated depreciation	<u>(3,576,736)</u>	<u>(452,842)</u>	<u>-</u>	<u>(4,029,578)</u>
Total capital assets, being depreciated, net	<u>\$ 3,917,320</u>	<u>\$ (122,787)</u>	<u>\$ -</u>	<u>\$ 3,794,533</u>

Note H - Contributions Receivable

All estimated contributions must be collected in accordance with the membership agreement and regulations of the Commission. Contributions receivables arise from contribution adjustments as a result of payroll audits conducted after the fiscal year. As of June 30, 2025 and 2024, no allowance for doubtful collection was recorded by the Pool based on management's analysis of contributions receivable.

Virginia Risk Sharing Association and Subsidiaries
Notes to Consolidated Financial Statements, Continued

Note I – Restricted Deposit

In accordance with the Commission’s regulations, as of June 30, 2025 and 2024, the Pool maintained with the State Treasurer of the Commonwealth of Virginia a restricted security deposit in the amount of \$160,000.

Note J – Commitments and Contingencies

The Pool is involved in various claims and legal actions arising in the ordinary course of business, which are considered in the estimate of the liability for losses and LAE.

Required Supplementary Information

Virginia Risk Sharing Association and Subsidiaries

Required Supplementary Information Liability for Unpaid Losses, Net, by Type of Contract Years Ended June 30, 2025 and 2024

2025	General liability	Public officials liability	Law enforcement liability	Automobile	Property	Boiler and machinery	Fidelity & crime	Excess	Cyber	LODA	Workers Compensation	Total Pool
Liability for unpaid losses, net at beginning of year	\$ 22,530,659	\$ 12,955,424	\$ 2,217,992	\$ 22,088,701	\$ 5,622,552	\$ 194,117	\$ 144,403	\$ (832,242)	\$ 1,707,880	\$ 23,150,968	\$ 127,340,532	\$ 217,120,986
Provisions for losses:												
Provision for insured events of the current year	8,784,356	3,654,231	1,212,721	14,219,810	10,222,958	407,223	94,585	-	1,990,901	3,420,043	18,015,091	62,021,919
Increase (reduction) in provision for insured events of prior years	65,428	(2,120,388)	(904,731)	(4,137,424)	(1,841,362)	(142,635)	(58,554)	-	(935,861)	1,353,027	(18,866,513)	(27,589,013)
Total provision for losses	8,849,784	1,533,843	307,990	10,082,386	8,381,596	264,588	36,031	-	1,055,040	4,773,070	(851,422)	34,432,906
Payments:												
Claims and claims adjustment expenses attributable to insured events of the current year	1,283,643	213,990	4,574	6,689,114	4,842,760	145,966	38,016	-	522,341	117,892	4,562,485	18,420,781
Claims and claims adjustment expenses attributable to insured events of the prior years	2,777,145	2,437,671	475,009	1,546,892	1,460,582	50,204	23,514	350,751	107,921	1,245,245	8,411,133	18,886,067
Total payments	4,060,788	2,651,661	479,583	8,236,006	6,303,342	196,170	61,530	350,751	630,262	1,363,137	12,973,618	37,306,848
Liability for unpaid losses, net at end of year	\$ 27,319,655	\$ 11,837,606	\$ 2,046,399	\$ 23,935,081	\$ 7,700,806	\$ 262,535	\$ 118,904	\$ (1,182,993)	\$ 2,132,658	\$ 26,560,901	\$ 113,515,492	\$ 214,247,044

Virginia Risk Sharing Association and Subsidiaries

Required Supplementary Information Liability for Unpaid Losses, Net, by Type of Contract, Continued Years Ended June 30, 2025 and 2024

2024	General liability	Public officials liability	Law enforcement liability	Automobile	Property	Boiler and machinery	Fidelity & crime	Excess	Cyber	LODA	Workers Compensation	Total Pool
Liability for unpaid losses, net at beginning of year	\$ 11,461,909	\$ 13,446,597	\$ 3,269,585	\$ 23,923,870	\$ 6,570,547	\$ 575,971	\$ 283,874	\$ (1,332,242)	\$ 1,473,065	\$ 29,848,984	\$ 131,770,371	\$ 221,292,531
Provisions for losses:												
Provision for insured events of the current year	9,199,150	3,797,205	1,409,352	13,066,768	5,491,334	803,894	281,328	-	1,339,151	(177,564)	21,821,171	57,031,789
Increase (reduction) in provision for insured events of prior years	7,605,535	(1,746,388)	(1,468,816)	(2,901,859)	(4,574,937)	(4,181)	(215,018)	-	(283,591)	(5,299,563)	(13,531,083)	(22,419,901)
Total provision for losses	16,804,685	2,050,817	(59,464)	10,164,909	916,397	799,713	66,310	-	1,055,560	(5,477,127)	8,290,088	34,611,888
Payments:												
Claims and claims adjustment expenses attributable to insured events of the current year	1,754,080	178,972	24,992	6,031,514	1,949,475	611,420	224,211	-	211,840	83,725	4,767,610	15,837,839
Claims and claims adjustment expenses attributable to insured events of the prior years	3,981,855	2,363,018	967,137	5,968,564	(85,083)	570,147	(18,430)	(500,000)	608,905	1,137,164	7,952,317	22,945,594
Total payments	5,735,935	2,541,990	992,129	12,000,078	1,864,392	1,181,567	205,781	(500,000)	820,745	1,220,889	12,719,927	38,783,433
Liability for unpaid losses, net at end of year	\$ 22,530,659	\$ 12,955,424	\$ 2,217,992	\$ 22,088,701	\$ 5,622,552	\$ 194,117	\$ 144,403	\$ (832,242)	\$ 1,707,880	\$ 23,150,968	\$ 127,340,532	\$ 217,120,986

Virginia Risk Sharing Association and Subsidiaries

Required Supplementary Information Ten-Year Claims Development Information

The following table illustrates how the Pool's earned revenue (net of reinsurance) and investment income compare to the related provision for losses (net of loss assumed by reinsurers) and other expenses assumed by the Pool as of the end of each of the last ten years. The columns of the table show data for successive fund years. The numbered lines in the first column of the table describe the following:

1. This section shows the total of each fiscal year's gross earned contribution revenue and investment revenue, contribution revenue ceded to reinsurers, net earned contribution revenue and reported investment revenue. Investment revenues include net change in fair value of investments recognized in accordance with Government Accounting Standards Board (GASB) Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.
2. This line shows each fiscal year's other operating costs including overhead and claims expense not allocable to individual claims.
3. This section shows gross incurred claims and allocated claim adjustment expenses, losses ceded to reinsurers, and net incurred losses and loss adjustment expenses (both paid and accrued) as originally reported at the end of the year in which the event that triggered coverage under the contract occurred (called fund year).
4. This section shows the cumulative net amounts paid as of the end of successive years for each fund year.
5. This line shows the latest re-estimated amount of losses ceded to reinsurers for each fund year.
6. This section shows how each policy year's net incurred claims increased or decreased as of the end of successive years. This annual re-estimation results from new information received on known claims, including estimated excess liability insurance receivable, and revaluation of existing information on known claims, as well as emergence of new claims not previously known.
7. This line compares the latest re-estimated incurred claims amount to the amount originally established (line 3) and shows whether this latest estimate of claims cost is greater or less than originally estimated. As data for individual policy years mature, the correlation between original estimates and re-estimated amounts is commonly used to evaluate the accuracy of incurred claims currently recognized in less mature policy years.

Virginia Risk Sharing Association and Subsidiaries

Required Supplementary Information Ten-Year Claims Development Information Fiscal and Policy Years Ended June 30,

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
1. Contribution and investment revenue:										
Earned	\$ 99,867,532	\$ 85,835,674	\$ 72,452,216	\$ 35,538,188	\$ 68,111,049	\$ 79,809,185	\$ 78,673,166	\$ 56,097,872	\$ 56,582,646	\$ 65,402,240
Ceded	19,198,929	17,417,026	14,595,859	12,354,288	10,030,250	10,195,156	9,747,562	9,533,805	10,011,251	10,356,696
Net earned	80,668,603	68,418,648	57,856,357	23,183,900	58,080,799	69,614,029	68,925,604	46,564,067	46,571,395	55,045,544
2. Unallocated expenses	\$ 12,215,461	\$ 12,107,464	\$ 15,702,391	\$ 15,034,758	\$ 13,643,129	\$ 13,027,183	\$ 12,352,291	\$ 12,282,399	\$ 22,697,264	\$ 21,245,023
3. Estimated provisions for losses, end of policy year:										
Incurred	\$ 66,031,072	\$ 65,723,406	\$ 63,809,428	\$ 58,096,971	\$ 55,685,133	\$ 59,292,481	\$ 71,686,309	\$ 65,415,776	\$ 54,705,678	\$ 45,019,287
Ceded	1,929,567	4,245,276	771,808	667,543	1,021,840	9,774,716	3,131,342	2,564,733	967,328	266,239
Net incurred	\$ 67,960,639	\$ 61,478,130	\$ 63,037,620	\$ 57,429,428	54,663,293	49,517,765	68,554,967	62,851,043	53,738,350	44,753,048
4. Paid (cumulative) at end of:										
Policy year	\$ 17,898,905	\$ 15,909,565	\$ 16,765,874	\$ 11,769,965	\$ 11,646,215	\$ 12,247,158	\$ 14,653,614	\$ 13,551,566	\$ 11,770,759	\$ 9,983,946
One year later		28,239,647	27,985,042	21,804,481	21,607,807	20,691,604	23,123,301	22,280,385	20,272,518	16,945,629
Two years later			31,521,319	23,645,555	24,518,292	24,065,006	26,169,679	25,981,423	24,313,831	20,725,450
Three years later				25,806,450	29,267,799	27,698,710	27,633,908	29,629,322	26,053,924	23,205,857
Four years later					30,466,871	29,354,059	28,601,700	31,174,326	27,410,255	24,329,532
Five years later						30,088,940	29,322,128	33,749,556	28,365,943	24,424,814
Six years later							29,694,844	35,804,321	30,723,236	24,774,445
Seven years later								36,130,172	31,429,960	24,927,799
Eight years later									31,753,727	25,114,760
Nine years later										25,213,902
5. Reestimated ceded losses and expenses	\$ 1,929,567	\$ 8,943,729	\$ 5,252,608	\$ 6,663,585	\$ 3,564,762	\$ 12,874,343	\$ 4,807,756	\$ 10,240,227	\$ 978,517	\$ 1,050,297
6. Reestimated provision for losses at end of:										
Policy year	\$ 64,101,505	\$ 61,478,130	\$ 63,037,620	\$ 61,116,076	\$ 54,663,293	\$ 49,517,765	\$ 68,554,967	\$ 62,851,043	\$ 53,738,350	\$ 44,753,048
One year later		56,915,533	59,861,283	53,514,763	51,894,918	47,875,691	50,560,946	48,685,182	48,519,272	41,199,067
Two years later			55,288,928	50,758,718	46,473,491	46,990,203	47,635,005	46,706,989	44,927,773	38,318,801
Three years later				45,637,013	43,349,802	41,775,174	44,265,369	46,316,934	41,952,147	36,030,304
Four years later					40,779,300	38,535,971	38,979,718	45,399,649	33,565,829	34,609,790
Five years later						37,357,851	38,201,621	44,188,398	42,576,331	34,872,308
Six years later							37,252,915	42,479,085	39,833,183	32,606,066
Seven years later								41,390,825	39,516,763	29,406,416
Eight years later									39,253,795	29,565,112
Nine years later										28,790,368
7. Increase (decrease) in provision for losses from end of policy year		\$ (4,562,597)	\$ (7,748,692)	\$ (15,479,063)	\$ (13,883,993)	\$ (12,159,914)	\$ (31,302,052)	\$ (21,460,218)	\$ (14,484,555)	\$ (15,962,680)

Other Supplementary Information

Virginia Risk Sharing Association and Subsidiaries

Other Supplementary Information Consolidated Schedule of Revenue and Expenses by Line of Coverage Year Ended June 30, 2025

	General liability	Public officials liability	Law enforcement liability	Automobile	Property	Boiler and machinery	Fidelity and crime	Excess liability	Cyber	LODA	Workers compensation	Total
Revenue:												
Member contributions	\$ 3,911,118	3,359,553	1,369,863	\$ 10,387,085	\$ 18,793,549	\$ 1,049,663	\$ 230,148	\$ 3,860,720	\$ 1,487,441	\$ 3,827,078	\$ 24,843,649	\$ 73,119,867
Miscellaneous income, net	11,406	9,955	4,059	30,780	13,451	1,280	682	1,688	3,499	11,341	71,642	159,783
Investment income	885,882	773,240	315,290	2,390,706	1,044,743	99,400	52,971	131,128	271,732	880,846	5,564,584	12,410,521
Unrealized gain on investments	1,012,002	883,323	360,176	2,731,062	1,193,479	113,551	60,513	149,796	310,418	1,006,248	6,356,792	14,177,360
Total revenue	5,820,408	5,026,071	2,049,388	15,539,634	21,045,222	1,263,893	344,314	4,143,332	2,073,090	5,725,513	36,836,667	99,867,531
Expenses:												
Provision (recovery) for losses	8,849,784	1,533,843	307,989	10,082,385	8,381,596	264,588	36,032	-	1,055,040	4,773,070	(851,423)	34,432,906
Program administration fees	1,372,615	834,497	338,136	2,813,542	1,641,367	125,575	60,884	136,753	295,232	962,034	4,698,564	13,279,199
Excess premiums	62,158	-	-	-	14,254,374	617,794	-	3,291,000	306,825	-	666,779	19,198,930
Nonoperating expenses	59,694	52,103	21,245	161,094	70,398	6,698	3,569	8,836	18,310	59,354	374,960	836,261
Total expenses (recovery)	10,344,251	2,420,443	667,371	13,057,021	24,347,735	1,014,655	100,485	3,436,589	1,675,407	5,794,458	4,888,880	67,747,296
Excess (deficiency) of revenue over expenses	\$ (4,523,843)	\$ 2,605,628	\$ 1,382,017	\$ 2,482,613	\$ (3,302,513)	\$ 249,238	\$ 243,829	\$ 706,743	\$ 397,683	\$ (68,945)	\$31,947,787	\$ 32,120,235



STATISTICAL SECTION

For the Period July 1, 2024 – June 30, 2025

- Overview of Statistical Section
- Change in Net Position
- Net Position by Classification
- Schedule of Revenues and Expenses by Line of Coverage
- Insurance Industry Ratios
- Total Incurred Losses by Line of Coverage
- Claims Development by Line of Coverage
- Reported Claims Analysis by Line of Coverage
- Total Ceded Loss Analysis
- Reinsurance History
- Composition of Membership

OVERVIEW OF THE STATISTICAL SECTION

This statistical section component of the Pool's Annual Comprehensive Financial Report presents detailed information as context for understanding what the information in the basic financial statements, note disclosures, and required supplementary information indicate about the Pool's economic condition and financial health.

As required by GASB Statement 44, a description of the required contents, if applicable, of this statistical section include:

Financial Trends Data - These schedules contain trend information to help the reader understand how the Pool's financial performance and well-being have changed over time.

Revenue Capacity Data - These schedules contain information to help the reader assess the Pool's most significant revenue sources, membership contributions.

Debt Capacity Data - These schedules present information which help the reader assess the Pool's debt burden. This section is not applicable for the Pool, as the Pool currently has no debt.

Demographic and Economic Information Data - These schedules offer demographic and economic indicators to help the reader understand the environment within which the Pool's financial activities take place.

Operating Information Data - These schedules contain service and infrastructure data to help the reader understand how the information in the Pool's financial report relates to the services the Pool provides and the activities it performs.

Virginia Risk Sharing Association and Subsidiaries

Change in Net Position

All Lines of Coverage Combined

Fiscal Year Ending June 30,	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Operating revenues	\$ 53,458,868	\$ 54,282,483	\$ 54,810,081	\$ 56,189,266	\$ 58,758,979	\$ 59,748,995	\$ 63,105,330	\$ 68,257,935	\$ 70,127,327	\$ 73,279,650
Operating expenses	58,998,937	54,757,777	60,849,411	59,017,712	60,555,317	64,965,217	72,615,147	51,208,453	67,734,636	66,911,035
Operating income (loss)	(5,540,069)	(475,294)	(6,039,330)	(2,828,446)	(1,796,338)	(5,216,222)	(9,509,817)	17,049,482	2,392,691	6,368,615
Total non-operating revenue and expenses	11,119,535	1,544,328	591,558	21,783,819	20,340,448	7,542,750	(28,260,065)	3,442,630	14,947,007	25,751,620
Change in net position	\$ 5,579,466	\$ 1,069,034	\$ (5,447,772)	\$ 18,955,373	\$ 18,544,110	\$ 2,326,528	\$ (37,769,882)	\$ 20,492,112	\$ 17,339,698	\$ 32,120,235

Operating Revenue

Fiscal Year Ending June 30,	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contributions	\$ 53,295,482	\$ 54,143,947	\$ 54,718,384	\$ 55,984,027	\$ 58,509,432	\$ 59,511,531	\$ 62,803,699	\$ 68,113,443	\$ 69,963,887	\$ 73,119,867
Miscellaneous income, net	163,386	138,536	91,697	205,239	249,547	237,464	301,631	144,492	163,440	159,783
	\$ 53,458,868	\$ 54,282,483	\$ 54,810,081	\$ 56,189,266	\$ 58,758,979	\$ 59,748,995	\$ 63,105,330	\$ 68,257,935	\$ 70,127,327	\$ 73,279,650

Operating Expenses

Fiscal Year Ending June 30,	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Ceded reinsurance	\$ 10,356,696	\$ 10,011,251	\$ 9,533,805	\$ 9,747,562	\$ 10,195,156	\$ 10,030,250	\$ 12,354,288	\$ 14,595,859	\$ 17,417,026	\$ 19,198,930
Program administrative costs	10,261,619	10,752,889	11,071,931	11,270,664	11,439,710	11,550,679	12,463,344	13,028,976	13,106,564	13,279,199
Provision for losses & LAE	38,380,622	33,993,637	40,243,675	37,999,486	38,920,451	43,384,288	47,797,515	23,583,618	37,211,046	34,432,906
	\$ 58,998,937	\$ 54,757,777	\$ 60,849,411	\$ 59,017,712	\$ 60,555,317	\$ 64,965,217	\$ 72,615,147	\$ 51,208,453	\$ 67,734,636	\$ 66,911,035

Non-Operating Revenue and Expenses

Fiscal Year Ending June 30,	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Investment income	\$ 7,838,810	\$ 7,980,980	\$ 8,305,543	\$ 8,945,197	\$ 9,256,650	\$ 8,211,741	\$ 7,645,007	\$ 9,043,076	\$ 10,955,614	\$ 12,410,521
Unrealized gains (losses)	4,104,563	(5,680,816)	(7,017,753)	13,538,703	11,793,556	150,313	(35,212,149)	(4,848,793)	4,752,734	14,177,360
Other expenses	823,838	755,836	696,232	700,081	709,758	819,304	692,923	751,653	761,341	836,261
	\$ 11,119,535	\$ 1,544,328	\$ 591,558	\$ 21,783,819	\$ 20,340,448	\$ 7,542,750	\$ (28,260,065)	\$ 3,442,630	\$ 14,947,007	\$ 25,751,620

Virginia Risk Sharing Association and Subsidiaries Net Position by Classification

Fiscal Year Ending June 30,	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Net investment in capital assets	\$ 4,378,285	\$ 4,890,570	\$ 4,717,005	\$ 4,749,907	\$ 4,803,326	\$ 4,485,013	\$ 3,944,551	\$ 3,917,320	\$ 3,794,533	\$ 3,455,031
Unrestricted	85,160,694	85,176,003	79,354,613	97,717,244	115,782,845	117,674,649	79,817,169	99,664,499	116,429,180	148,159,566
Restricted by regulation	<u>17,258,446</u>	<u>17,799,886</u>	<u>18,347,069</u>	<u>18,906,909</u>	<u>19,331,966</u>	<u>20,085,036</u>	<u>20,713,096</u>	<u>21,385,109</u>	<u>22,082,913</u>	<u>22,812,264</u>
Change in net position	<u>\$ 106,797,425</u>	<u>\$ 107,866,459</u>	<u>\$ 102,418,687</u>	<u>\$ 121,374,060</u>	<u>\$ 139,918,137</u>	<u>\$ 142,244,698</u>	<u>\$ 104,474,816</u>	<u>\$ 124,966,928</u>	<u>\$ 142,306,626</u>	<u>\$ 174,426,861</u>



Virginia Risk Sharing Association and Subsidiaries

Schedule of Revenues and Expenses by Line of Coverage

All Lines of Coverage Combined

Fiscal Year ending June 30,	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Written premiums	\$ 53,295,482	\$ 54,143,947	\$ 54,718,384	\$ 55,984,027	\$ 58,509,432	\$ 59,511,531	\$ 62,803,699	\$ 68,113,443	\$ 69,963,887	\$ 73,119,867
Ceded reinsurance	10,356,696	10,011,251	9,533,805	9,747,562	10,195,156	10,030,251	12,354,288	14,595,859	17,417,026	19,198,930
Net premiums	42,938,786	44,132,696	45,184,579	46,236,465	48,314,276	49,481,280	50,449,411	53,517,584	52,546,861	53,920,937
Miscellaneous Income, net	163,386	138,536	91,697	205,239	249,547	237,464	301,631	144,492	163,440	159,783
Program administrative costs	10,261,619	10,752,889	11,071,931	11,270,664	11,439,710	11,550,679	12,463,344	13,028,976	13,106,564	13,279,199
Provision for loss & LAE	38,380,622	33,993,637	40,243,675	37,999,486	38,920,451	43,384,289	47,797,515	23,583,618	37,211,046	34,432,906
Operating revenue/(loss)	(5,540,069)	(475,294)	(6,039,330)	(2,828,446)	(1,796,338)	(5,216,224)	(9,509,817)	17,049,482	2,392,691	6,368,615
Investment income	7,838,810	7,980,980	8,305,543	8,945,197	9,256,650	8,211,740	7,645,007	9,043,076	10,955,614	12,410,521
Unrealized gain/(loss)	4,104,563	(5,680,816)	(7,017,753)	13,538,703	11,793,556	150,313	(35,212,149)	(4,848,793)	4,752,734	14,177,360
Non-operating income	11,943,373	2,300,163	1,287,791	22,483,900	21,050,206	8,362,053	(27,567,142)	4,194,283	15,708,348	26,587,881
Other expenses	823,838	755,835	696,232	700,081	709,758	819,302	692,923	751,653	761,341	836,261
Non-operating revenue/(loss)	11,119,535	1,544,328	591,558	21,783,819	20,340,448	7,542,751	(28,260,065)	3,442,630	14,947,007	25,751,620
Change in net position	5,579,466	1,069,034	(5,447,772)	18,955,373	18,544,110	2,326,527	(37,769,882)	20,492,112	17,339,698	32,120,235
Beginning net position balance	101,217,960	106,797,426	107,866,460	102,418,688	121,374,061	139,918,171	142,244,698	104,474,816	124,966,928	142,306,626
Ending net position balance	\$ 106,797,426	\$ 107,866,460	\$ 102,418,688	\$ 121,374,061	\$ 139,918,171	\$ 142,244,698	\$ 104,474,816	\$ 124,966,928	\$ 142,306,626	\$ 174,426,861

Workers Compensation

Fiscal Year ending June 30,	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Written premiums	\$ 20,083,515	\$ 20,054,717	\$ 20,845,868	\$ 21,035,289	\$ 22,331,107	\$ 21,534,044	\$ 22,133,406	\$ 23,768,895	\$ 23,132,556	\$ 24,843,649
Ceded reinsurance	1,327,043	1,021,186	846,297	1,067,384	1,022,538	1,018,829	1,080,664	1,008,661	1,007,642	666,779
Net premiums	18,756,472	19,033,531	19,999,571	19,967,905	21,308,569	20,515,215	21,052,742	22,760,234	22,124,914	24,176,870
Miscellaneous Income, net	155,436	72,500	41,924	110,569	142,821	116,993	125,872	61,450	68,818	71,642
Program administrative costs	4,801,354	4,963,117	4,842,347	5,080,541	5,384,356	5,486,611	5,709,184	6,524,965	5,985,621	4,698,564
Provision for loss & LAE	23,195,073	10,371,614	11,811,592	21,667,221	11,996,940	15,742,199	12,108,022	(5,257,407)	8,290,082	(851,421)
Operating revenue/(loss)	(9,084,519)	3,771,300	3,387,556	(6,669,288)	4,070,094	(596,602)	3,361,408	21,554,126	7,918,029	20,401,369
Investment income	3,424,140	3,442,034	3,676,195	3,863,117	4,082,561	3,404,633	3,190,293	3,845,886	4,612,874	5,564,583
Unrealized gain/(loss)	1,792,950	(2,450,020)	(3,106,193)	5,846,890	5,201,441	62,321	(14,694,172)	(2,062,119)	2,001,144	6,356,792
Non-operating income	5,217,091	992,014	570,001	9,710,007	9,284,002	3,466,954	(11,503,879)	1,783,767	6,614,018	11,921,375
Other expenses	359,868	325,976	308,166	302,341	313,032	339,687	289,161	319,667	313,703	374,960
Non-operating revenue/(loss)	4,857,223	666,037	261,835	9,407,666	8,970,970	3,127,267	(11,793,040)	1,464,100	6,300,315	11,546,415
Change in net position	\$ (4,227,297)	\$ 4,437,337	\$ 3,649,391	\$ 2,738,378	\$ 13,041,064	\$ 2,530,665	\$ (8,431,632)	\$ 23,018,226	\$ 14,218,344	\$ 31,947,784

Virginia Risk Sharing Association and Subsidiaries
Schedule of Revenue and Expenses by Line of Coverage, Continued

LODA

Fiscal Year ending June 30,	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Written premiums	\$ 2,003,715	\$ 2,417,481	\$ 2,349,383	\$ 2,737,991	\$ 3,562,172	\$ 3,661,828	\$ 4,027,886	\$ 4,180,556	\$ 4,060,757	\$ 3,827,078
Ceded reinsurance	-	-	-	-	-	-	-	-	-	-
Net premiums	2,003,715	2,417,481	2,349,383	2,737,991	3,562,172	3,661,828	4,027,886	4,180,556	4,060,757	3,827,078
Miscellaneous Income, net	1,083	9,529	1,904	9,868	14,078	15,230	24,082	11,287	12,630	11,341
Program administrative costs	397,405	951,094	921,546	397,587	792,492	860,675	1,030,787	840,495	(399,582)	962,034
Provision for loss & LAE	927,454	7,156,141	10,076,981	(3,499,944)	2,747,909	4,694,954	7,323,038	3,109,413	(5,477,127)	4,773,070
Operating revenue/(loss)	679,938	(5,680,224)	(8,647,240)	5,850,215	35,849	(1,878,571)	(4,301,857)	241,935	9,950,096	(1,896,685)
Investment income	365,794	437,179	431,849	529,709	682,485	607,704	610,378	706,405	846,636	880,846
Unrealized gain/(loss)	191,537	(311,181)	(364,890)	801,723	869,529	11,124	(2,811,341)	(378,766)	367,285	1,006,248
Non-operating income	557,331	125,997	66,959	1,331,432	1,552,014	618,828	(2,200,963)	327,639	1,213,921	1,887,094
Other expenses	38,444	41,403	36,201	41,457	52,330	60,632	55,323	58,716	59,751	59,354
Non-operating revenue/(loss)	518,887	84,595	30,758	1,289,975	1,499,684	558,196	(2,256,286)	268,923	1,154,170	1,827,740
Change in net position	\$ 1,198,825	\$ (5,595,630)	\$ (8,616,482)	\$ 7,140,191	\$ 1,535,533	\$ (1,320,375)	\$ (6,558,143)	\$ 510,858	\$ 11,104,266	\$ (68,945)

Property & Liability, Overall

Fiscal Year ending June 30,	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Written premiums	\$ 31,208,252	\$ 31,671,749	\$ 31,523,133	\$ 32,210,747	\$ 32,616,153	\$ 34,315,659	\$ 36,642,407	\$ 40,163,992	\$ 42,770,574	\$ 44,449,140
Ceded reinsurance	9,029,653	8,990,065	8,687,508	8,680,178	9,172,618	9,011,422	11,273,624	13,587,198	16,409,384	18,532,151
Net premiums	22,178,599	22,681,684	22,835,625	23,530,569	23,443,535	25,304,237	25,368,783	26,576,794	26,361,190	25,916,989
Miscellaneous Income, net	6,867	56,506	47,869	84,802	92,648	105,241	151,677	71,755	81,992	76,800
Program administrative costs	5,062,860	4,838,679	5,308,039	5,792,536	5,262,862	5,203,393	5,723,373	5,663,516	7,520,525	7,618,601
Provision for loss & LAE	14,258,095	16,465,882	18,355,102	19,832,209	24,175,602	22,947,136	28,366,455	25,731,612	34,398,091	30,511,257
Operating revenue/(loss)	2,864,512	1,433,630	(779,646)	(2,009,374)	(5,902,281)	(2,741,051)	(8,569,368)	(4,746,579)	(15,475,434)	(12,136,069)
Investment income	4,048,876	4,101,768	4,197,500	4,552,372	4,491,604	4,199,403	3,844,336	4,490,785	5,496,104	5,965,092
Unrealized gain/(loss)	2,120,075	(2,919,615)	(3,546,670)	6,890,090	5,722,586	76,868	(17,706,636)	(2,407,908)	2,384,305	6,814,320
Non-operating income	6,168,951	1,182,153	650,831	11,442,461	10,214,190	4,276,271	(13,862,300)	2,082,877	7,880,409	12,779,412
Other expenses	425,526	388,456	351,866	356,284	344,396	418,983	348,439	373,270	387,887	401,947
Non-operating revenue/(loss)	5,743,425	793,696	298,965	11,086,177	9,869,794	3,857,288	(14,210,739)	1,709,607	7,492,522	12,377,465
Change in net position	\$ 8,607,937	\$ 2,227,326	\$ (480,681)	\$ 9,076,804	\$ 3,967,513	\$ 1,116,237	\$ (22,780,107)	\$ (3,036,972)	\$ (7,982,912)	\$ 241,396

Virginia Risk Sharing Association and Subsidiaries
Schedule of Revenue and Expenses by Line of Coverage, Continued

General Liability

Fiscal Year ending June 30,	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Written premiums	\$ 3,077,724	\$ 2,994,970	\$ 2,970,925	\$ 2,908,569	\$ 2,738,630	\$ 3,197,859	\$ 3,480,056	\$ 3,571,403	\$ 3,762,632	\$ 3,911,118
Ceded reinsurance	-	-	-	-	-	81,070	83,613	62,158	62,158	62,158
Net premiums	3,077,724	2,994,970	2,970,925	2,908,569	2,738,630	3,116,789	3,396,443	3,509,245	3,700,474	3,848,960
Miscellaneous Income, net	953	7,461	6,228	10,482	10,823	12,963	20,307	9,475	11,510	11,406
Program administrative costs	899,561	882,226	891,370	828,012	708,503	751,112	770,766	760,673	1,436,302	1,372,615
Provision for loss & LAE	2,002,958	3,521,446	2,656,110	1,512,726	2,320,825	4,164,163	1,769,430	4,751,247	16,804,691	8,849,784
Operating revenue/(loss)	176,158	(1,401,240)	(570,327)	578,313	(279,875)	(1,785,523)	876,554	(1,993,200)	(14,529,009)	(6,362,033)
Investment income	561,862	541,612	546,097	562,710	524,701	517,252	514,690	592,971	771,520	885,882
Unrealized gain/(loss)	294,203	(385,516)	(461,423)	851,671	668,502	9,468	(2,370,614)	(317,944)	334,699	1,012,002
Non-operating income	856,065	156,096	84,673	1,414,381	1,193,203	526,720	(1,855,924)	275,027	1,106,219	1,897,884
Other expenses	59,050	51,293	45,778	44,040	40,232	51,607	46,650	49,287	54,450	59,694
Non-operating revenue/(loss)	797,015	104,802	38,895	1,370,341	1,152,971	475,113	(1,902,574)	225,740	1,051,769	1,838,190
Change in net position	\$ 973,173	\$ (1,296,438)	\$ (531,432)	\$ 1,948,655	\$ 873,096	\$ (1,310,410)	\$ (1,026,020)	\$ (1,767,460)	\$ (13,477,240)	\$ (4,523,843)

Public Officials Liability

Fiscal Year ending June 30,	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Written premiums	\$ 2,144,570	\$ 2,041,290	\$ 2,028,047	\$ 2,032,304	\$ 2,171,271	\$ 2,346,729	\$ 2,321,309	\$ 2,422,884	\$ 2,948,348	\$ 3,359,553
Ceded reinsurance	-	-	-	-	-	-	-	-	-	-
Net premiums	2,144,570	2,041,290	2,028,047	2,032,304	2,171,271	2,346,729	2,321,309	2,422,884	2,948,348	3,359,553
Miscellaneous Income, net	664	5,085	4,251	7,324	8,581	9,760	13,879	6,542	9,170	9,955
Program administrative costs	421,824	359,276	395,480	418,939	421,072	415,923	474,851	450,439	701,174	834,497
Provision for loss & LAE	2,961,460	(555,876)	3,333,169	4,026,687	6,313,794	3,715,464	4,755,517	468,412	2,050,817	1,533,843
Operating revenue/(loss)	(1,238,050)	2,242,974	(1,696,351)	(2,405,998)	(4,555,014)	(1,774,898)	(2,895,180)	1,510,575	205,527	1,001,168
Investment income	391,508	369,148	372,783	393,182	415,999	389,455	351,767	409,404	614,708	773,240
Unrealized gain/(loss)	205,002	(262,757)	(314,982)	595,088	530,009	7,129	(1,620,203)	(219,518)	266,671	883,323
Non-operating income	596,510	106,391	57,801	988,270	946,008	396,584	(1,268,436)	189,886	881,379	1,656,563
Other expenses	41,146	34,960	31,249	30,772	31,897	38,857	31,883	34,029	43,383	52,103
Non-operating revenue/(loss)	555,363	71,431	26,551	957,498	914,111	357,727	(1,300,319)	155,857	837,996	1,604,460
Change in net position	\$ (682,687)	\$ 2,314,405	\$ (1,669,799)	\$ (1,448,500)	\$ (3,640,903)	\$ (1,417,171)	\$ (4,195,499)	\$ 1,666,432	\$ 1,043,523	\$ 2,605,628

Virginia Risk Sharing Association and Subsidiaries
Schedule of Revenue and Expenses by Line of Coverage, Continued

Law Enforcement Liability

Fiscal Year ending June 30,	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Written premiums	\$ 1,152,922	\$ 1,091,175	\$ 1,044,900	\$ 1,072,880	\$ 1,103,057	\$ 1,159,702	\$ 1,255,836	\$ 1,271,773	\$ 1,340,683	\$ 1,369,863
Ceded reinsurance	-	-	-	-	-	-	-	-	-	-
Net premiums	1,152,922	1,091,175	1,044,900	1,072,880	1,103,057	1,159,702	1,255,836	1,271,773	1,340,683	1,369,863
Miscellaneous Income, net	357	2,718	2,190	3,867	4,359	4,823	7,508	3,434	4,170	4,059
Program administrative costs	203,550	185,026	202,017	218,431	205,635	205,611	248,828	233,697	319,200	338,136
Provision for loss & LAE	(604,092)	3,769,145	805,427	230,013	1,930,682	3,244,020	2,205,114	322,961	(59,465)	307,989
Operating revenue/(loss)	1,553,822	(2,860,278)	39,647	628,303	(1,028,901)	(2,285,106)	(1,190,598)	718,549	1,085,118	727,797
Investment income	210,475	197,329	192,067	207,566	211,337	192,460	190,307	214,896	279,522	315,290
Unrealized gain/(loss)	110,209	(140,457)	(162,287)	314,155	269,257	3,523	(876,535)	(115,225)	121,261	360,176
Non-operating income	320,684	56,871	29,780	521,721	480,594	195,983	(686,228)	99,671	400,783	675,466
Other expenses	22,120	18,688	16,100	16,245	16,204	19,202	17,249	17,862	19,727	21,245
Non-operating revenue/(loss)	298,564	38,183	13,680	505,476	464,390	176,781	(703,477)	81,809	381,056	654,221
Change in net position	\$ 1,852,385	\$ (2,822,095)	\$ 53,327	\$ 1,133,779	\$ (564,511)	\$ (2,108,325)	\$ (1,894,075)	\$ 800,358	\$ 1,466,174	\$ 1,382,018

Automobile

Fiscal Year ending June 30,	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Written premiums	\$ 8,181,996	\$ 8,092,621	\$ 8,326,381	\$ 8,867,732	\$ 7,834,492	\$ 9,088,534	\$ 9,291,759	\$ 9,840,381	\$ 9,859,420	\$ 10,387,085
Ceded reinsurance	-	-	-	-	-	-	-	-	-	-
Net premiums	8,181,996	8,092,621	8,326,381	8,867,732	7,834,492	9,088,534	9,291,759	9,840,381	9,859,420	10,387,085
Miscellaneous Income, net	2,533	20,161	17,454	31,959	30,962	37,800	55,554	26,568	30,666	30,780
Program administrative costs	1,729,176	1,551,114	1,792,581	2,040,724	1,677,059	1,780,185	1,979,112	1,983,415	2,556,754	2,813,542
Provision for loss & LAE	6,175,320	4,868,939	6,524,559	8,267,343	8,017,175	7,003,073	10,502,165	11,261,003	10,164,909	10,082,385
Operating revenue/(loss)	280,033	1,692,729	26,696	(1,408,376)	(1,828,780)	343,076	(3,133,964)	(3,377,469)	(2,831,577)	(2,478,062)
Investment income	1,493,687	1,463,474	1,530,503	1,715,607	1,501,029	1,508,301	1,408,055	1,662,768	2,055,613	2,390,706
Unrealized gain/(loss)	782,125	(1,041,692)	(1,293,195)	2,596,600	1,912,406	27,609	(6,485,364)	(891,557)	891,760	2,731,062
Non-operating income	2,275,813	421,781	237,307	4,312,207	3,413,435	1,535,910	(5,077,309)	771,211	2,947,373	5,121,768
Other expenses	156,982	138,598	128,298	134,269	115,092	150,487	127,622	138,208	145,075	161,094
Non-operating revenue/(loss)	2,118,830	283,184	109,009	4,177,938	3,298,343	1,385,423	(5,204,931)	633,003	2,802,298	4,960,674
Change in net position	\$ 2,398,863	\$ 1,975,912	\$ 135,705	\$ 2,769,562	\$ 1,469,563	\$ 1,728,499	\$ (8,338,895)	\$ (2,744,466)	\$ (29,279)	\$ 2,482,612

Virginia Risk Sharing Association and Subsidiaries
Schedule of Revenue and Expenses by Line of Coverage, Continued

Property

Fiscal Year ending June 30,	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Written premiums	\$ 12,190,146	\$ 13,110,014	\$ 12,682,673	\$ 13,123,542	\$ 14,597,598	\$ 14,056,549	\$ 15,281,045	\$ 17,374,653	\$ 18,705,572	\$ 18,793,549
Ceded reinsurance	5,658,780	6,025,635	5,817,904	6,302,542	6,885,035	6,962,214	9,173,071	10,198,136	12,882,939	14,254,374
Net premiums	6,531,366	7,084,379	6,864,769	6,821,000	7,712,563	7,094,335	6,107,974	7,176,517	5,822,633	4,539,175
Miscellaneous Income, net	2,022	17,649	14,390	24,582	30,480	29,506	36,519	19,376	18,111	13,451
Program administrative costs	1,590,781	1,604,842	1,700,291	1,823,129	1,840,365	1,559,395	1,656,636	1,755,472	1,841,563	1,641,367
Provision for loss & LAE	3,489,904	4,570,346	4,366,024	5,096,418	5,033,564	5,066,413	8,003,662	6,753,520	3,515,556	8,381,596
Operating revenue/(loss)	1,452,704	926,841	812,844	(73,965)	869,114	498,033	(3,515,805)	(1,313,099)	483,625	(5,470,337)
Investment income	1,192,352	1,281,143	1,261,838	1,319,633	1,477,669	1,177,351	925,591	1,212,644	1,213,974	1,044,743
Unrealized gain/(loss)	624,340	(911,910)	(1,066,188)	1,997,287	1,882,643	21,551	(4,263,180)	(650,206)	526,643	1,193,479
Non-operating income	1,816,692	369,233	195,650	3,316,920	3,360,312	1,198,902	(3,337,589)	562,438	1,740,617	2,238,222
Other expenses	125,313	121,330	105,777	103,279	113,301	117,467	83,893	100,794	85,676	70,398
Non-operating revenue/(loss)	1,691,379	247,903	89,874	3,213,641	3,247,011	1,081,435	(3,421,482)	461,644	1,654,941	2,167,824
Change in net position	\$ 3,144,083	\$ 1,174,743	\$ 902,718	\$ 3,139,677	\$ 4,116,125	\$ 1,579,468	\$ (6,937,287)	\$ (851,455)	\$ 2,138,566	\$ (3,302,513)

Boiler & Machinery

Fiscal Year ending June 30,	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Written premiums	\$ 867,745	\$ 913,712	\$ 884,471	\$ 911,528	\$ 998,235	\$ 966,857	\$ 1,040,050	\$ 1,122,730	\$ 1,069,354	\$ 1,049,663
Ceded reinsurance	356,676	385,867	350,559	381,030	424,681	-	-	580,801	582,462	617,794
Net premiums	511,069	527,845	533,912	530,498	573,554	966,857	1,040,050	541,929	486,892	431,869
Miscellaneous Income, net	158	1,315	1,119	1,912	2,267	4,021	6,218	1,463	1,514	1,280
Program administrative costs	109,127	107,794	120,348	129,043	124,458	185,520	200,699	118,028	134,588	125,575
Provision for loss & LAE	239,653	90,880	406,806	357,748	277,220	203,586	237,975	915,752	799,713	264,588
Operating revenue/(loss)	162,447	330,487	7,877	45,618	174,143	581,772	607,594	(490,388)	(445,895)	42,986
Investment income	93,300	95,456	98,140	102,633	109,889	160,456	157,607	91,572	101,513	99,400
Unrealized gain/(loss)	48,854	(67,945)	(82,923)	155,337	140,005	2,937	(725,923)	(49,100)	44,038	113,551
Non-operating income	142,153	27,511	15,217	257,971	249,894	163,393	(568,316)	42,472	145,551	212,951
Other expenses	9,806	9,040	8,227	8,032	8,426	16,009	14,285	7,611	7,164	6,698
Non-operating revenue/(loss)	132,348	18,471	6,990	249,938	241,468	147,384	(582,601)	34,861	138,387	206,253
Change in net position	\$ 294,795	\$ 348,957	\$ 14,867	\$ 295,557	\$ 415,611	\$ 729,156	\$ 24,993	\$ (455,527)	\$ (307,508)	\$ 249,239

Virginia Risk Sharing Association and Subsidiaries
Schedule of Revenue and Expenses by Line of Coverage, Continued

Fidelity & Crime

Fiscal Year ending June 30,	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Written premiums	\$ 300,405	\$ 297,756	\$ 276,779	\$ 279,315	\$ 295,818	\$ 290,763	\$ 287,953	\$ 274,884	\$ 254,432	\$ 230,148
Ceded reinsurance	-	-	-	-	-	-	-	-	-	-
Net premiums	300,405	297,756	276,779	279,315	295,818	290,763	287,953	274,884	254,432	230,148
Miscellaneous Income, net	93	742	580	1,007	1,169	1,209	1,722	742	791	682
Program administrative costs	60,274	56,302	57,273	62,944	59,819	55,821	57,260	53,839	65,704	60,884
Provision for loss & LAE	(7,109)	201,002	112,023	(10,095)	5,322	(99,583)	(8,660)	78,482	66,310	36,032
Operating revenue/(loss)	247,333	41,194	108,064	227,472	231,846	335,734	241,075	143,305	123,209	133,914
Investment income	54,841	53,846	50,876	54,038	56,676	48,254	43,636	46,448	53,047	52,971
Unrealized gain/(loss)	28,716	(38,328)	(42,987)	81,787	72,209	883	(200,982)	(24,905)	23,013	60,513
Non-operating income	83,557	15,519	7,888	135,825	128,885	49,137	(157,346)	21,543	76,060	113,484
Other expenses	5,764	5,099	4,265	4,229	4,346	4,814	3,955	3,861	3,744	3,569
Non-operating revenue/(loss)	77,794	10,419	3,624	131,596	124,539	44,323	(161,301)	17,682	72,316	109,915
Change in net position	\$ 325,127	\$ 51,613	\$ 111,687	\$ 359,068	\$ 356,385	\$ 380,057	\$ 79,774	\$ 160,987	\$ 195,525	\$ 243,829

Excess Liability

Fiscal Year ending June 30,	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Written premiums	\$ 3,292,744	\$ 3,130,211	\$ 2,990,185	\$ 2,645,317	\$ 2,440,877	\$ 2,552,869	\$ 3,015,604	\$ 3,223,894	\$ 3,560,997	\$ 3,860,720
Ceded reinsurance	3,014,197	2,578,563	2,450,333	1,911,469	1,777,036	1,847,624	1,998,907	2,439,278	2,575,000	3,291,000
Net premiums	278,547	551,648	539,852	733,848	663,841	705,245	1,016,697	784,616	985,997	569,720
Miscellaneous Income, net	86	1,374	1,132	2,645	2,623	2,933	6,079	2,118	3,067	1,688
Program administrative costs	48,569	92,098	98,440	147,262	119,935	121,845	174,204	134,023	235,930	136,753
Provision for loss & LAE	-	-	-	150,791	-	-	-	-	-	-
Operating revenue/(loss)	230,065	460,924	442,544	438,440	546,529	586,333	848,572	652,711	753,134	434,655
Investment income	50,851	99,760	99,232	141,975	127,187	117,040	154,068	132,580	205,573	131,128
Unrealized gain/(loss)	26,627	(71,009)	(83,846)	214,881	162,044	2,142	(709,623)	(71,088)	89,181	149,796
Non-operating income	77,478	28,751	15,386	356,856	289,231	119,182	(555,555)	61,492	294,754	280,924
Other expenses	5,344	9,448	8,318	11,111	9,752	11,677	13,964	11,020	14,508	8,836
Non-operating revenue/(loss)	72,133	19,304	7,068	345,745	279,479	107,505	(569,519)	50,472	280,246	272,088
Change in net position	\$ 302,198	\$ 480,228	\$ 449,612	\$ 784,184	\$ 826,008	\$ 693,838	\$ 279,053	\$ 703,183	\$ 1,033,380	\$ 706,743

Virginia Risk Sharing Association and Subsidiaries
Schedule of Revenue and Expenses by Line of Coverage, Continued

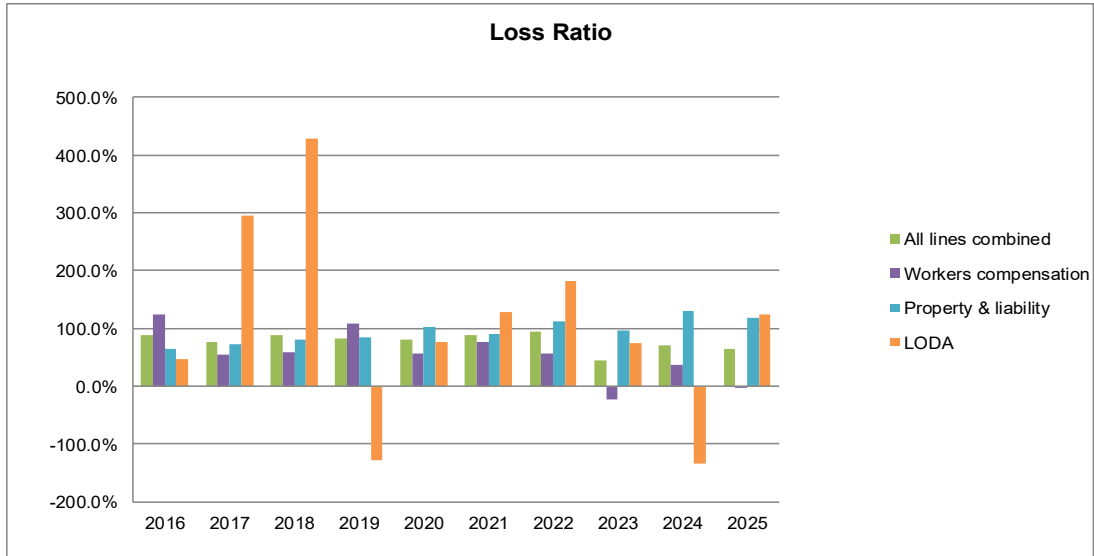
Cyber

Fiscal Year ending June 30,	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Written premiums	\$ -	\$ -	\$ 318,772	\$ 369,560	\$ 436,175	\$ 655,797	\$ 668,795	\$ 1,061,390	\$ 1,269,136	\$ 1,487,441
Ceded reinsurance	-	-	68,712	85,136	85,866	120,514	18,033	306,825	306,825	306,825
Net premiums	-	-	250,060	284,424	350,309	535,283	650,762	754,565	962,311	1,180,616
Miscellaneous Income, net	-	-	524	1,025	1,384	2,226	3,891	2,037	2,993	3,499
Program administrative costs	-	-	50,240	124,052	106,016	127,981	161,017	173,930	229,310	295,232
Provision for loss & LAE	-	-	150,985	200,577	277,020	(350,000)	901,252	1,180,235	1,055,560	1,055,040
Operating revenue/(loss)	-	-	49,360	(39,181)	(31,343)	759,528	(407,616)	(597,563)	(319,566)	(166,157)
Investment income	-	-	45,964	55,026	67,117	88,834	98,615	127,502	200,634	271,732
Unrealized gain/(loss)	-	-	(38,838)	83,283	85,511	1,626	(454,212)	(68,365)	87,039	310,418
Non-operating income	-	-	7,127	138,310	152,628	90,460	(355,597)	59,137	287,673	582,150
Other expenses	-	-	3,853	4,307	5,146	8,863	8,938	10,598	14,160	18,310
Non-operating revenue/(loss)	-	-	3,274	134,003	147,482	81,597	(364,535)	48,539	273,513	563,840
Change in net position	\$ -	\$ -	\$ 52,634	\$ 94,823	\$ 116,139	\$ 841,125	\$ (772,151)	\$ (549,024)	\$ (46,053)	\$ 397,683

Virginia Risk Sharing Association and Subsidiaries
Insurance Industry Ratios
All Lines of Coverage Combined

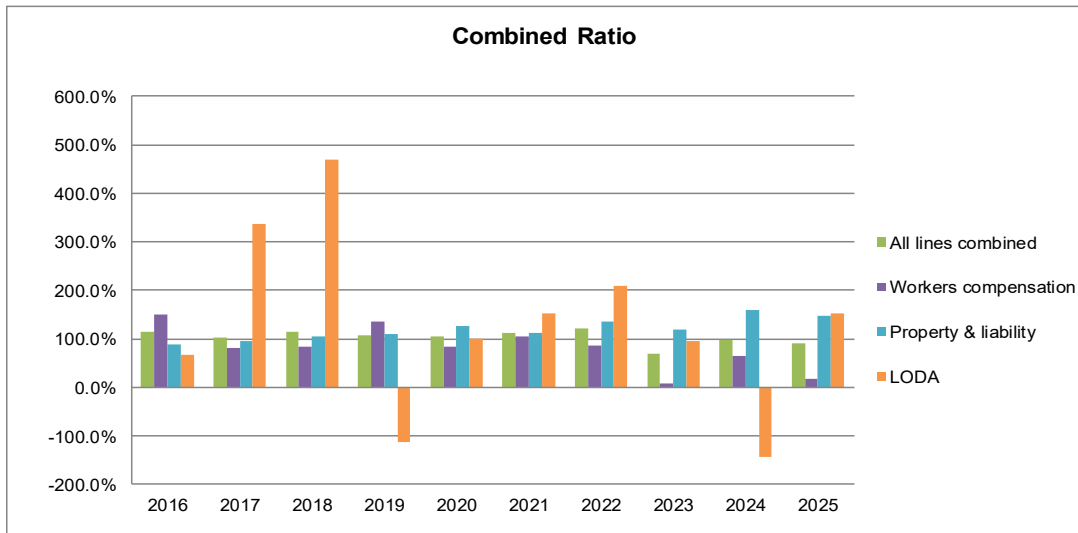
Loss Ratio

Fiscal Year ending June 30,	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
All lines combined	89.38%	77.03%	89.07%	82.19%	80.56%	87.68%	94.74%	44.07%	70.81%	63.86%
Workers compensation	123.66%	54.49%	59.06%	108.51%	56.30%	76.73%	57.51%	-23.10%	37.47%	-3.52%
Property & liability	64.29%	72.60%	80.38%	84.28%	103.12%	90.68%	111.82%	96.82%	130.49%	117.73%
LODA	46.29%	296.02%	428.92%	-127.83%	77.14%	128.21%	181.81%	74.38%	-134.88%	124.72%



Combined Ratio

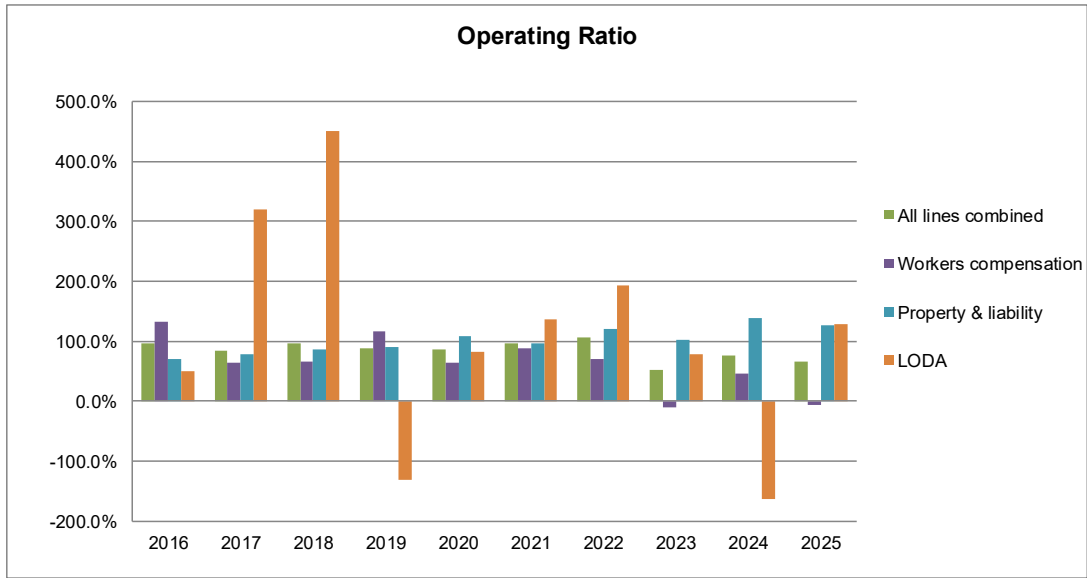
Fiscal Year ending June 30,	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
All lines combined	115.20%	103.10%	115.11%	108.08%	105.70%	112.68%	120.82%	69.82%	97.21%	90.04%
Workers compensation	151.18%	82.28%	84.81%	135.47%	83.04%	105.13%	86.00%	6.97%	65.94%	17.46%
Property & liability	89.03%	95.64%	105.16%	110.41%	127.04%	112.90%	135.75%	119.53%	160.49%	148.67%
LODA	68.04%	337.07%	469.69%	-111.79%	100.86%	153.37%	208.77%	95.89%	-143.25%	151.41%



Virginia Risk Sharing Association and Subsidiaries
Insurance Industry Ratios
All Lines of Coverage Combined, Continued

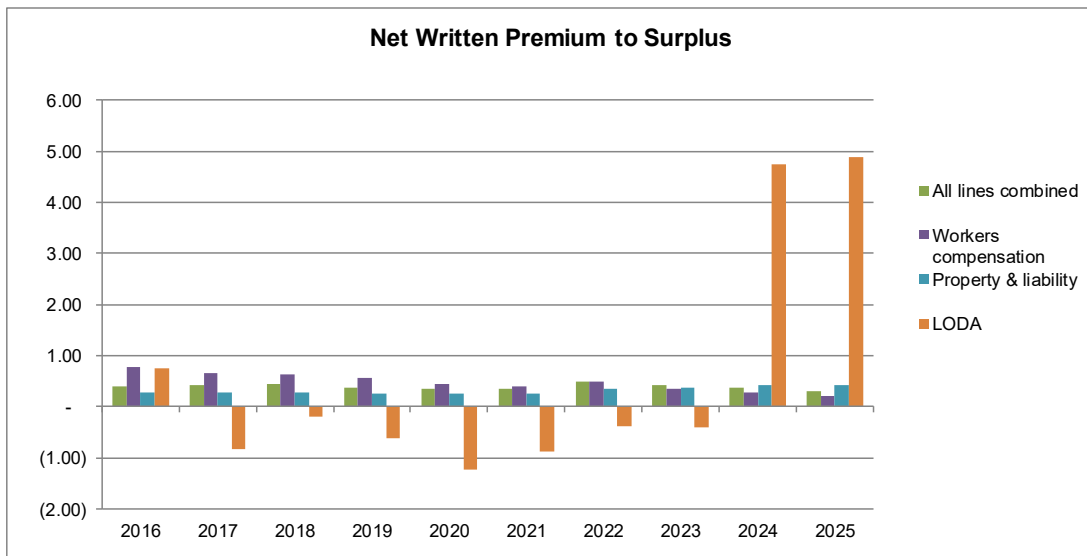
Operating Ratio

Fiscal Year ending June 30,	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
All lines combined	96.95%	85.02%	96.73%	88.73%	86.54%	96.08%	105.67%	52.92%	76.36%	67.02%
Workers compensation	132.93%	64.20%	66.43%	116.12%	63.88%	88.54%	70.85%	-9.92%	45.09%	-5.55%
Property & liability	70.78%	77.56%	86.78%	91.07%	107.88%	96.31%	120.60%	102.64%	139.64%	125.66%
LODA	49.78%	318.99%	451.30%	-131.14%	81.70%	136.78%	193.62%	78.99%	-164.10%	128.39%



Net written premium to surplus

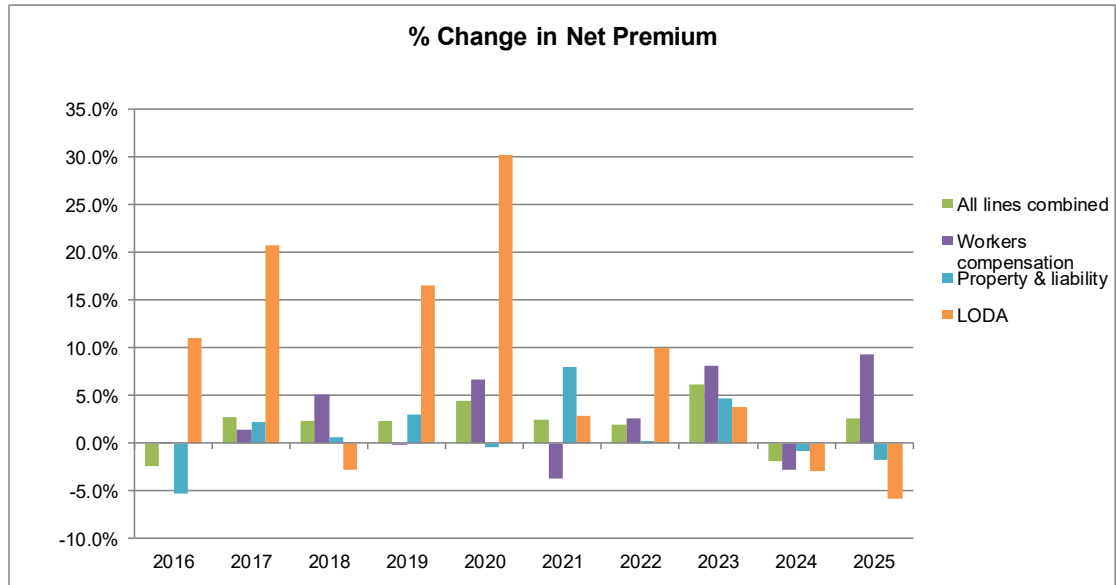
Fiscal Year ending June 30,	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
All lines combined	0.40	0.41	0.44	0.38	0.35	0.35	0.48	0.43	0.37	0.31
Workers compensation	0.78	0.66	0.62	0.57	0.44	0.41	0.50	0.35	0.28	0.22
Property & liability	0.28	0.28	0.28	0.26	0.25	0.26	0.35	0.38	0.42	0.42
LODA	0.75	(0.82)	(0.20)	(0.62)	(1.24)	(0.87)	(0.37)	(0.41)	4.75	4.87



Virginia Risk Sharing Association and Subsidiaries
Insurance Industry Ratios
All Lines of Coverage Combined, Continued

Change in net written premium

Fiscal Year ending June 30,	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
All lines combined	-2.33%	2.78%	2.38%	2.33%	4.49%	2.42%	1.96%	6.08%	-1.81%	2.61%
Workers compensation	0.08%	1.48%	5.08%	-0.16%	6.71%	-3.72%	2.62%	8.11%	-2.79%	9.27%
Property & liability	-5.29%	2.27%	0.68%	3.04%	-0.37%	7.94%	0.26%	4.76%	-0.81%	-1.69%
LODA	10.97%	20.65%	-2.82%	16.54%	30.10%	2.80%	10.00%	3.79%	-2.87%	-5.75%



Virginia Risk Sharing Association and Subsidiaries

Total Incurred Losses by Line of Coverage

	Auto Liability	Auto Physical	Boiler & Machinery	Fidelity & Crime	General Liability	Property/Inland Marine	Public Officials/ Law Enforcement	CYBER	LODA	Workers Compensation	Total All Lines
Total Incurred Losses as of June 30,											
2025	\$ 137,755,697	\$ 53,687,137	\$ 6,326,704	\$ 1,587,901	\$ 89,935,965	\$ 97,347,941	\$ 86,309,813	\$ 4,454,083	\$ 34,767,440	\$ 562,772,669	\$ 1,074,945,350
2024	129,890,092	48,476,043	6,075,241	1,556,810	81,089,754	89,092,697	84,491,371	2,557,421	29,994,369	553,439,572	1,026,663,370
2023	126,674,069	44,426,337	5,274,619	1,486,068	64,255,477	85,568,523	82,493,474	2,351,546	34,052,842	552,952,973	999,535,928
2022	116,599,743	41,015,264	4,401,036	1,409,433	59,501,949	78,865,738	81,805,218	971,971	31,025,592	555,853,194	971,449,138
2021	111,511,131	38,118,366	4,161,333	1,398,736	57,839,469	71,189,150	74,930,205	275,000	23,998,954	548,684,159	932,106,503
2020	106,665,692	35,891,163	3,953,113	1,520,779	53,789,467	66,076,535	67,844,093	625,000	19,486,656	533,972,234	889,824,732
2019	101,686,887	33,235,168	3,607,151	1,516,323	51,712,198	60,964,420	59,559,405	350,000	16,829,255	522,613,690	852,074,497
2018	95,538,771	30,966,261	3,250,847	1,526,851	50,210,961	55,884,551	55,316,041	150,000	20,138,283	501,456,084	814,438,650
2017	90,751,937	29,358,313	2,846,667	1,415,813	47,560,961	51,554,093	51,212,081	-	10,513,350	489,536,347	774,749,562
2016	87,760,469	27,397,505	2,756,024	1,215,001	44,023,002	47,002,421	48,011,002	-	3,863,004	479,611,795	741,640,223

% Change from Prior Year by Line

2025	6.06%	10.75%	4.14%	2.00%	10.91%	9.27%	2.15%	74.16%	15.91%	1.69%	4.70%
2024	2.54%	9.12%	15.18%	4.76%	26.20%	4.12%	2.42%	8.75%	-11.92%	0.09%	2.71%
2023	8.64%	8.32%	19.85%	5.44%	7.99%	8.50%	0.84%	141.94%	9.76%	-0.52%	2.89%
2022	4.56%	7.60%	5.76%	0.76%	2.87%	10.78%	9.18%	253.44%	29.28%	1.31%	4.22%
2021	4.54%	6.21%	5.27%	-8.03%	7.53%	7.74%	10.44%	-56.00%	23.16%	2.76%	4.75%
2020	4.90%	7.99%	9.59%	0.29%	4.02%	8.39%	13.91%	78.57%	15.79%	2.17%	4.43%
2019	6.44%	7.33%	10.96%	-0.69%	2.99%	9.09%	7.67%	-	-16.43%	4.22%	4.62%
2018	5.27%	5.48%	14.20%	7.84%	5.57%	8.40%	8.01%	-	91.55%	2.43%	5.12%
2017	3.41%	7.16%	3.29%	16.53%	8.04%	9.68%	6.67%	-	172.15%	2.07%	4.46%
2016	9.32%	15.43%	21.31%	5.89%	10.13%	17.63%	9.60%	-	121.40%	9.88%	10.79%

Total Net Paid Losses as of June 30,

2025	\$ 120,204,380	\$ 52,072,505	\$ 6,078,026	\$ 1,506,801	\$ 63,762,997	\$ 91,237,585	\$ 71,013,086	\$ 2,360,427	\$ 8,263,809	\$ 458,840,796	\$ 875,340,412
2024	114,972,402	47,578,276	5,881,855	1,441,058	59,661,545	82,299,756	67,888,883	1,726,725	6,900,671	443,863,949	832,215,120
2023	108,403,166	43,704,295	4,700,288	1,239,391	53,912,456	80,716,432	64,344,353	905,616	5,679,782	432,941,575	796,547,354
2022	98,546,741	40,370,389	4,230,166	1,231,670	50,438,175	73,487,739	58,846,923	184,052	4,295,793	416,642,178	748,273,826
2021	96,882,645	37,373,563	4,031,809	1,223,731	48,044,000	68,679,152	53,651,453	169,541	3,200,876	410,971,657	724,228,427
2020	91,149,055	35,167,339	3,648,738	1,246,332	44,891,780	63,415,312	49,593,291	220,160	2,337,939	401,787,343	693,457,289
2019	87,014,316	32,656,513	3,315,537	1,264,510	42,635,441	58,629,303	44,322,025	59,631	1,684,364	391,434,010	663,015,650
2018	82,015,943	30,542,180	3,027,146	1,206,037	39,989,824	53,129,812	40,617,580	1,971	981,417	378,195,546	629,707,456
2017	78,086,105	28,880,271	2,723,563	1,092,373	37,523,395	47,350,135	37,576,040	-	397,453	364,903,021	598,532,356
2016	74,064,556	26,742,745	2,621,002	921,158	35,000,472	44,871,552	33,812,457	-	304,776	352,289,114	570,627,832

% Change from Prior Year by Line

2025	4.55%	9.45%	3.34%	4.56%	6.87%	10.86%	4.60%	36.70%	19.75%	3.37%	5.18%
2024	6.06%	8.86%	25.14%	16.27%	10.66%	1.96%	5.51%	90.67%	21.50%	2.52%	4.48%
2023	10.00%	8.26%	11.11%	0.63%	6.89%	9.84%	9.34%	392.04%	32.22%	3.91%	6.45%
2022	1.72%	8.02%	4.92%	0.65%	4.98%	7.00%	9.68%	8.56%	34.21%	1.38%	3.32%
2021	6.29%	6.27%	10.50%	-1.81%	7.02%	8.30%	8.18%	-22.99%	36.91%	2.29%	4.44%
2020	4.75%	7.69%	10.05%	-1.44%	5.29%	8.16%	11.89%	269.20%	38.80%	2.64%	4.59%
2019	6.09%	6.92%	9.53%	4.85%	6.62%	10.35%	9.12%	-	71.63%	3.50%	5.29%
2018	5.03%	5.75%	11.15%	10.41%	6.57%	12.21%	8.09%	-	146.93%	3.64%	5.21%
2017	5.43%	7.99%	3.91%	18.59%	7.21%	5.52%	11.13%	-	30.41%	3.58%	4.89%
2016	9.45%	14.06%	21.63%	21.50%	12.60%	25.33%	14.44%	-	-129.78%	10.94%	12.55%

Total Outstanding Losses as of June 30,

2025	\$ 17,551,317	\$ 1,614,632	\$ 248,678	\$ 81,100	\$ 26,172,968	\$ 6,110,356	\$ 15,296,727	\$ 2,093,656	\$ 26,503,631	\$ 103,931,873	\$ 199,604,938
2024	14,917,690	897,767	193,386	115,752	21,428,209	6,792,941	16,602,488	830,696	23,093,698	109,575,623	194,448,250
2023	18,270,903	722,042	574,331	246,677	10,343,021	4,852,091	18,149,121	1,445,930	28,373,060	120,011,398	202,988,574
2022	18,053,002	644,875	170,870	177,763	9,063,774	5,377,999	22,958,295	787,919	26,729,799	139,211,016	223,175,312
2021	14,628,486	744,803	129,524	175,005	9,795,469	2,509,998	21,278,752	105,459	20,798,078	137,712,502	207,878,076
2020	15,516,637	723,824	304,375	274,447	8,897,687	2,661,223	18,250,802	404,840	17,148,717	132,184,891	196,367,443
2019	14,672,571	578,655	291,614	251,813	9,076,757	2,335,117	15,237,380	290,369	15,144,891	131,179,680	189,058,847
2018	13,522,828	424,081	223,701	320,814	10,221,137	2,754,739	14,698,461	148,029	19,156,866	123,260,538	184,731,194
2017	12,665,832	478,042	123,104	323,440	10,037,566	4,203,958	13,636,041	-	10,115,897	124,633,326	176,217,206
2016	13,695,913	654,760	135,022	293,843	9,022,530	2,130,869	14,198,545	-	3,558,228	127,322,681	171,012,391

% Change from Prior Year by Line

2025	17.65%	79.85%	28.59%	-29.94%	22.14%	-10.05%	-7.86%	152.04%	14.77%	-5.15%	2.65%
2024	-18.35%	24.34%	-66.33%	-53.08%	107.18%	40.00%	-8.52%	-42.55%	-18.61%	-8.70%	-4.21%
2023	1.21%	11.97%	236.12%	38.77%	14.11%	-9.78%	-20.95%	83.51%	6.15%	-13.79%	-9.05%
2022	23.41%	-13.42%	31.92%	1.58%	-7.47%	114.26%	7.89%	647.13%	28.52%	1.09%	7.36%
2021	-5.72%	2.90%	-57.45%	-36.23%	10.09%	-5.68%	16.59%	-73.95%	21.28%	4.18%	5.86%
2020	5.75%	25.09%	4.38%	8.99%	-1.97%	13.97%	19.78%	39.42%	13.23%	0.77%	3.87%
2019	8.50%	36.45%	30.36%	-21.51%	-11.20%	-15.23%	3.67%	-	-20.94%	6.42%	2.34%
2018	6.77%	-11.29%	81.72%	-0.81%	1.83%	-34.47%	7.79%	-	89.37%	-1.10%	4.83%
2017	-7.52%	-26.99%	-8.83%	10.07%	11.25%	97.29%	-3.96%	-	184.30%	-2.11%	3.04%
2016	8.60%	125.29%	15.38%	-24.51%	1.50%	-48.71%	-0.44%	-	28.53%	7.04%	5.28%

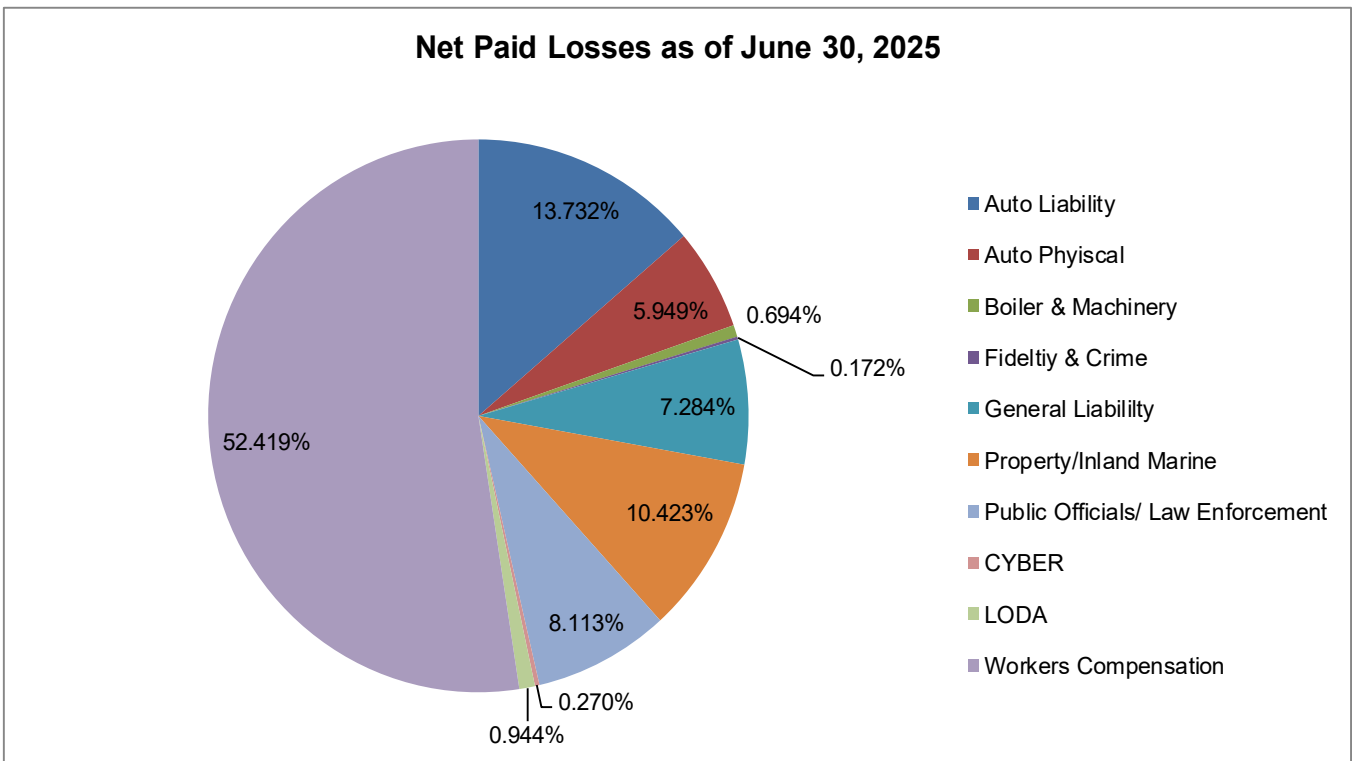
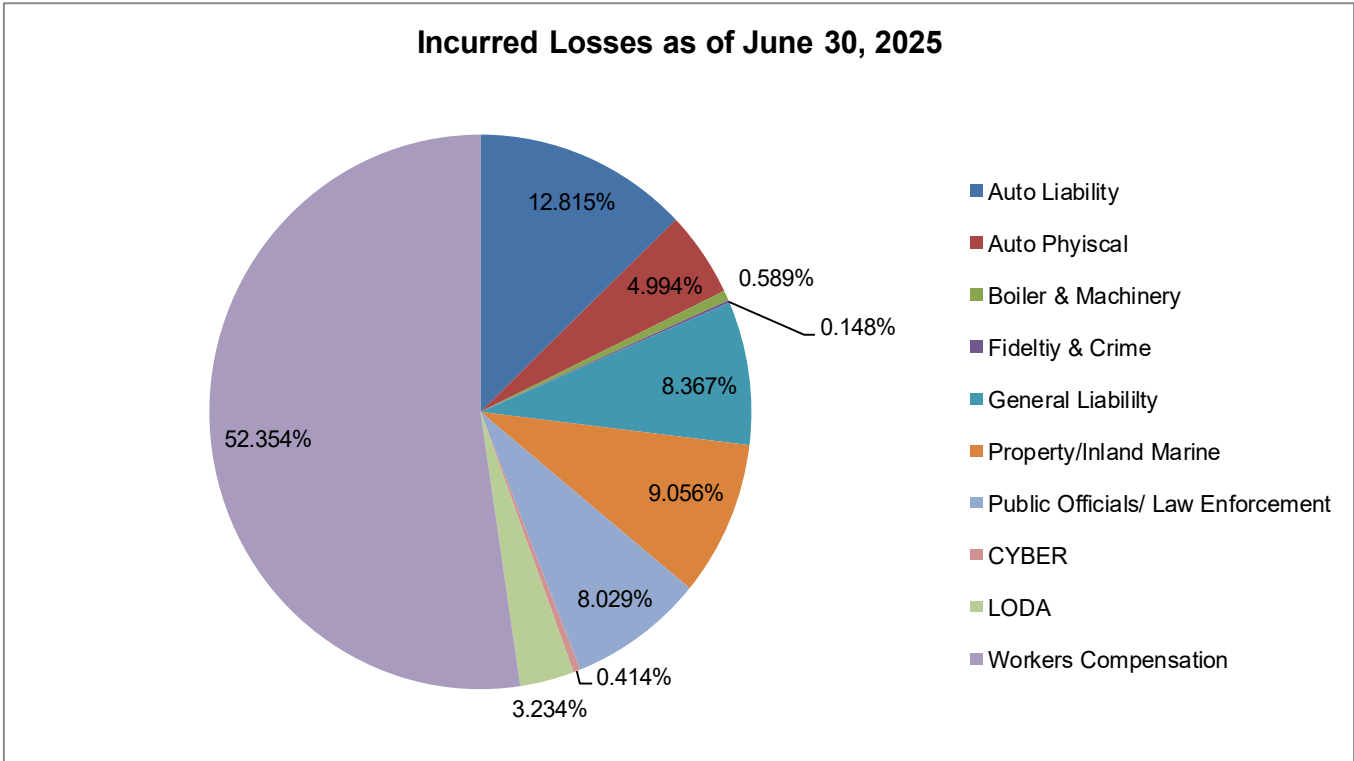
Total incurred losses = Total outstanding losses + Total net paid losses

Total incurred losses = Total estimated cost (paid and unpaid) of all claims as indicated by actuary

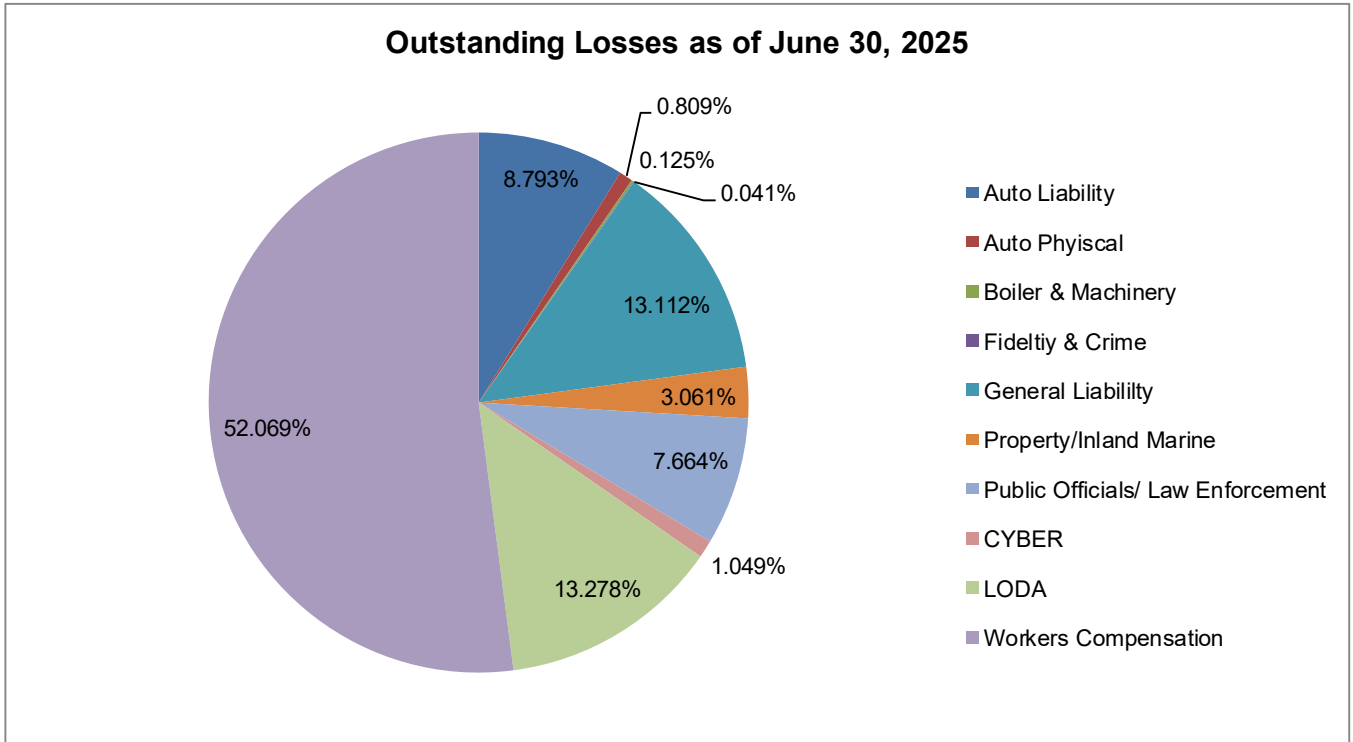
Total outstanding losses = Case reserves on individual claims + incurred but not reported reserves as indicated by actuary

Total net paid losses = Expenses paid on individual claims less recoveries received

Virginia Risk Sharing Association and Subsidiaries
Total Incurred Losses by Line of Coverage, Continued



Virginia Risk Sharing Association and Subsidiaries
Total Incurred Losses by Line of Coverage, Continued



Virginia Risk Sharing Association and Subsidiaries
Claims Development by Line of Coverage
As of Fiscal and Policy Years Ended June 30,

WORKERS COMPENSATION	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Premiums										
Earned	\$ 36,835,668	\$ 29,815,390	\$ 25,079,677	\$ 10,755,399	\$ 25,012,691	\$ 22,331,107	\$ 21,035,289	\$ 20,845,868	\$ 20,054,717	\$ 20,083,515
Ceded	666,778	1,007,642	1,008,662	1,080,665	1,018,829	1,022,538	1,067,384	846,297	1,021,186	1,327,043
Net earned	36,168,890	28,807,748	24,071,015	9,674,734	23,993,862	21,308,569	19,967,905	19,999,571	19,033,531	18,756,472
Initial estimated total incurred losses										
Incurred	\$ 20,209,536	\$ 22,589,414	\$ 26,308,386	\$ 26,530,194	\$ 26,385,040	\$ 21,400,000	\$ 29,128,146	\$ 21,099,392	\$ 20,950,000	\$ 24,678,739
Ceded		466,905	4,881	667,543	635,040	-	3,078,146	249,392	-	178,739
Net incurred	20,209,536	22,122,509	26,303,505	25,862,651	25,750,000	21,400,000	26,050,000	20,850,000	20,950,000	24,500,000
Paid losses (cumulative)										
Policy year	\$ 4,562,603	\$ 4,767,395	\$ 4,358,142	\$ 3,205,610	\$ 4,508,243	\$ 3,484,002	\$ 5,366,802	\$ 5,065,356	\$ 4,799,580	\$ 4,113,698
One year later		9,035,590	9,815,185	7,128,568	9,205,135	5,873,828	8,659,469	8,978,307	8,815,542	7,385,864
Two years later			11,616,268	8,252,721	11,781,879	6,731,006	9,308,626	9,681,264	10,194,407	9,288,792
Three years later				8,768,301	12,593,923	7,151,144	10,263,050	10,060,514	10,463,830	10,013,751
Four years later					13,079,264	7,343,671	9,851,076	10,144,742	10,529,531	10,151,866
Five years later						7,488,450	9,991,377	10,153,751	10,552,313	10,138,264
Six years later							10,124,687	10,177,683	10,557,334	10,148,107
Seven years later								10,198,534	10,562,697	10,142,776
Eight years later									10,703,051	10,190,742
Nine years later										10,197,201
Re-estimated ceded losses		\$ 382,189	\$ 1,199,819	\$ 747,808	\$ 3,287,876	\$ 437,000	\$ 968,735	\$ -	\$ -	\$ 31,343
Re-estimated total incurred losses										
Policy year	\$ 20,209,536	\$ 22,122,509	\$ 26,303,505	\$ 25,862,651	\$ 25,750,000	\$ 21,400,000	\$ 26,050,000	\$ 20,850,000	\$ 20,950,000	\$ 24,500,000
One year later		20,025,874	23,752,158	20,398,767	25,800,000	18,750,000	21,325,000	20,350,000	20,650,000	21,250,000
Two years later			21,515,768	20,477,261	21,903,649	17,209,959	18,350,000	18,000,000	19,400,000	19,800,000
Three years later				17,785,513	19,788,119	13,041,968	18,433,752	17,250,000	17,950,000	18,300,000
Four years later					18,524,543	12,495,198	15,455,615	16,250,000	17,450,000	17,475,000
Five years later						11,393,122	15,017,620	14,244,447	16,225,000	16,825,000
Six years later							14,442,971	13,951,214	14,293,004	15,810,000
Seven years later								13,035,430	14,197,608	13,383,552
Eight years later									13,842,437	13,561,665
Nine years later										12,745,430
Increase (decrease) in total incurred losses from end of policy year		\$ (2,096,635)	\$ (4,787,737)	\$ (8,077,138)	\$ (7,225,457)	\$ (10,006,878)	\$ (11,607,029)	\$ (7,814,570)	\$ (7,107,563)	\$ (11,754,570)

Virginia Risk Sharing Association and Subsidiaries
Claims Development by Line of Coverage, Continued
As of Fiscal and Policy Years Ended June 30,

LODA										
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
1. Premiums										
Earned	\$ 5,725,513	\$ 5,287,308	\$ 4,519,482	\$ 1,851,005	\$ 4,295,886	\$ 3,562,172	\$ 2,737,991	\$ 2,349,383	\$ 3,130,211	\$ 2,003,715
Ceded				-		-	-	-	-	-
Net earned	5,725,513	5,287,308	4,519,482	1,851,005	4,295,886	3,562,172	2,737,991	2,349,383	551,648	2,003,715
2. Initial estimated total incurred losses										
Incurred	\$ 3,420,043	\$ 1,241,089	\$ 2,138,729	\$ 5,327,765	\$ 3,670,076	\$ 2,487,009	\$ 2,174,078	\$ 6,999,685	\$ 4,591,978	\$ 553,048
Ceded				-		-	-	-	-	-
Net incurred	3,420,043	1,241,089	2,138,729	5,327,765	3,670,076	2,487,009	2,174,078	6,999,685	4,591,978	553,048
3. Paid losses (cumulative)										
Policy year	\$ 117,892	\$ 83,725	\$ 175,382	\$ 190,659	\$ 138,739	\$ 54,406	\$ 110,345	\$ 219,524	\$ 23,531	\$ 45,023
One year later		175,153	270,650	402,251	258,144	170,289	198,021	458,625	185,197	54,490
Two years later			356,309	574,409	411,346	278,683	253,725	654,538	346,940	94,113
Three years later				751,985	552,118	412,927	374,796	862,649	502,641	130,813
Four years later					694,120	535,159	470,304	1,061,995	661,258	151,663
Five years later						650,329	565,812	1,279,093	830,296	187,738
Six years later							667,044	1,477,353	1,010,193	232,351
Seven years later								1,652,753	1,162,860	279,903
Eight years later									1,319,979	327,058
Nine years later										379,179
4. Re-estimated ceded losses					\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5. Re-estimated total incurred losses										
Policy year	\$ 3,420,043	\$ 1,241,089	\$ 2,138,729	\$ 5,327,765	\$ 3,670,076	\$ 2,487,009	\$ 2,174,078	\$ 6,999,685	\$ 4,591,978	\$ 553,048
One year later		1,285,220	1,654,734	6,005,487	3,785,237	2,657,101	2,191,747	4,905,477	6,775,214	1,312,126
Two years later			1,735,403	4,479,974	4,603,875	3,965,819	2,453,258	4,753,146	4,912,842	1,232,883
Three years later				4,652,606	3,370,388	3,978,487	2,610,455	5,094,050	4,648,516	1,077,914
Four years later					3,500,294	2,726,177	2,495,395	5,151,324	5,133,925	1,004,319
Five years later						2,811,471	2,098,282	4,906,125	5,145,849	1,107,955
Six years later							2,153,249	3,759,825	4,999,203	1,075,784
Seven years later								3,873,482	5,155,874	1,138,350
Eight years later									5,388,442	1,246,041
Nine years later										1,374,418
6. Increase (decrease) in total incurred losses from end of policy year		\$ 44,131	\$ (403,326)	\$ (675,159)	\$ (169,782)	\$ 324,462	\$ (20,829)	\$ (3,126,203)	\$ 796,464	\$ 821,370

Virginia Risk Sharing Association and Subsidiaries
Claims Development by Line of Coverage, Continued
As of Fiscal and Policy Years Ended June 30,

COMBINED PROPERTY & LIABILITY										
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
1. Premiums										
Earned	\$ 53,162,020	\$ 46,874,157	\$ 39,031,120	\$ 20,465,656	\$ 36,022,187	\$ 30,175,276	\$ 29,565,430	\$ 28,532,948	\$ 28,541,538	\$ 27,915,508
Ceded	15,241,151	13,834,384	11,147,920	9,274,717	7,163,798	7,395,582	6,768,709	6,237,175	6,411,502	6,015,456
Net earned	37,920,869	33,039,773	27,883,200	11,190,939	28,858,389	22,779,694	22,796,721	22,295,773	22,130,036	21,900,052
2. Initial estimated total incurred losses										
Incurred	\$ 40,471,927	\$ 41,892,903	\$ 35,312,313	\$ 30,148,559	\$ 23,686,800	\$ 34,891,716	\$ 25,528,908	\$ 27,377,289	\$ 23,842,328	\$ 19,700,000
Ceded	-	3,778,371	766,927	222,898	386,800	9,791,716	53,196	2,315,341	967,328	-
Net incurred	40,471,927	38,114,532	34,545,386	29,925,661	23,300,000	25,100,000	25,675,712	25,211,948	22,875,000	19,700,000
3. Paid losses (cumulative)										
Policy year	\$ 13,218,409	\$ 11,058,443	\$ 12,232,350	\$ 8,373,696	\$ 6,999,233	\$ 8,708,751	\$ 9,176,467	\$ 8,266,686	\$ 6,947,648	\$ 5,825,224
One year later		19,028,905	17,899,208	14,273,662	12,144,193	12,843,453	11,271,780	9,505,275	10,647,837	10,413,627
Two years later			19,548,741	14,818,425	13,075,066	13,772,484	11,342,545	13,929,897	12,254,881	9,684,028
Three years later				16,286,164	16,121,758	20,134,640	13,061,293	14,431,969	13,011,272	10,531,373
Four years later					16,693,488	21,475,230	18,280,321	15,246,988	14,746,511	11,299,093
Five years later						21,950,160	18,764,940	22,316,711	15,124,432	11,645,466
Six years later							18,903,112	24,149,285	19,155,712	11,670,378
Seven years later								24,278,884	19,704,403	14,505,121
Eight years later									19,730,699	14,596,960
Nine years later										14,637,522
4. Re-estimated ceded losses	\$ 1,919,566	\$ 8,135,053	\$ 3,875,833	\$ 5,783,327	\$ 336,463	\$ 12,730,607	\$ 3,960,357	\$ 10,545,656	\$ 978,517	\$ 1,018,948
5. Re-estimated total incurred losses										
Policy year	40,471,927	38,114,532	34,545,386	29,925,661	23,300,000	25,100,000	25,675,712	25,211,948	22,875,000	19,700,000
One year later		35,604,439	34,454,392	27,110,509	22,309,681	25,466,481	23,429,705	22,344,459	18,636,941	19,153,073
Two years later			32,037,757	25,801,482	19,965,968	25,814,426	24,487,521	20,614,931	18,032,078	19,632,339
Three years later				23,198,893	20,191,294	24,754,720	23,221,163	23,972,884	16,652,390	17,827,598
Four years later					18,754,466	23,314,596	21,028,708	23,998,324	19,407,389	17,969,049
Five years later						23,153,257	21,085,719	25,037,826	20,665,482	15,632,874
Six years later							20,656,695	24,768,046	20,540,977	15,720,281
Seven years later								24,481,913	20,163,280	14,884,513
Eight years later									20,022,916	14,757,405
Nine years later										14,670,520
6. Increase (decrease) in total incurred losses from end of policy year		\$ (2,510,093)	\$ (2,507,629)	\$ (6,726,768)	\$ (4,545,534)	\$ (1,946,743)	\$ (5,019,017)	\$ (730,035)	\$ (2,852,084)	\$ (5,029,480)

Virginia Risk Sharing Association and Subsidiaries
Claims Development by Line of Coverage, Continued
As of Fiscal and Policy Years Ended June 30,

GENERAL LIABILITY										
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
1. Premiums										
Earned	\$ 5,820,408	\$ 4,880,361	\$ 3,855,905	\$ 1,644,439	\$ 3,737,542	\$ 2,738,630	\$ 2,908,569	\$ 2,970,925	\$ 2,994,970	\$ 3,077,724
Ceded	62,158	62,158	62,158	83,613	81,070	-	-	-	-	-
Net earned	5,758,250	4,818,203	3,793,747	1,560,826	3,656,472	2,738,630	2,908,569	2,970,925	2,994,970	3,077,724
2. Initial estimated total incurred losses										
Incurred	\$ 8,850,255	\$ 9,244,407	\$ 4,728,996	\$ 3,675,183	\$ 3,900,000	\$ 3,400,000	\$ 3,500,000	\$ 4,250,000	\$ 4,250,000	\$ 3,850,000
Ceded	-	-	-	-	-	-	-	-	-	-
Net incurred	\$ 8,850,255	\$ 9,244,407	4,728,996	3,675,183	3,900,000	3,400,000	3,500,000	4,250,000	4,250,000	3,850,000
3. Paid losses (cumulative)										
Policy year	\$ 1,358,503	\$ 1,779,074	\$ 1,596,437	\$ 808,967	\$ 1,163,113	\$ 1,021,315	\$ 1,024,550	\$ 903,473	\$ 1,048,763	\$ 1,136,335
One year later		2,912,877	3,180,556	1,706,599	1,733,344	1,671,978	1,446,917	1,499,235	1,537,701	1,655,629
Two years later			4,133,542	2,406,798	2,175,456	1,962,354	1,795,785	1,819,099	1,971,281	2,069,185
Three years later				2,883,651	3,265,881	2,155,719	1,880,176	1,997,708	2,071,828	2,277,227
Four years later					3,305,964	2,645,642	2,078,921	2,355,835	2,399,666	2,579,803
Five years later						2,748,531	2,137,122	2,420,715	2,568,941	2,581,668
Six years later							2,151,381	2,420,801	2,603,364	2,581,668
Seven years later								2,420,486	2,604,144	2,587,149
Eight years later									2,604,144	2,633,284
Nine years later										2,633,284
4. Re-estimated ceded losses		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5. Re-estimated total incurred losses										
Policy year	\$ 8,850,255	\$ 9,244,407	\$ 4,728,996	\$ 3,675,183	\$ 3,900,000	\$ 3,400,000	\$ 3,500,000	\$ 4,250,000	\$ 4,250,000	\$ 3,850,000
One year later		9,391,088	9,739,583	4,493,826	3,510,434	3,500,000	3,600,000	3,500,000	3,750,000	3,850,000
Two years later			10,212,278	7,637,913	3,618,075	2,966,769	4,000,000	3,200,000	3,500,000	3,500,000
Three years later				7,070,994	3,972,384	3,253,976	3,311,571	3,000,000	3,000,000	3,500,000
Four years later					3,895,500	2,993,225	2,891,193	3,063,075	3,150,000	3,200,000
Five years later						2,968,509	2,696,954	2,671,846	2,922,217	3,000,000
Six years later							2,905,211	2,499,302	2,772,005	2,835,618
Seven years later								2,467,352	2,654,566	2,773,474
Eight years later									2,630,598	2,660,034
Nine years later										2,643,818
6. Increase (decrease) in total incurred losses from end of policy year		\$ 146,681	\$ 5,483,282	\$ 3,395,811	\$ (4,500)	\$ (431,491)	\$ (594,789)	\$ (1,782,648)	\$ (1,619,402)	\$ (1,206,182)

Virginia Risk Sharing Association and Subsidiaries
Claims Development by Line of Coverage, Continued
As of Fiscal and Policy Years Ended June 30,

PUBLIC OFFICIALS/LAW ENFORCEMENT										
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
1. Premiums										
Earned	\$ 7,075,459	\$ 5,584,533	\$ 3,994,190	\$ 1,643,868	\$ 4,113,581	\$ 3,274,328	\$ 3,105,184	\$ 3,072,947	\$ 3,132,465	\$ 3,297,492
Ceded				-		-	-	-	-	-
Net earned	7,075,459	5,584,533	3,994,190	1,643,868	4,113,581	3,274,328	3,105,184	3,072,947	3,132,465	3,297,492
2. Initial estimated total incurred losses										
Incurred	\$ 4,817,160	\$ 5,230,168	\$ 5,810,733	\$ 5,758,853	\$ 7,200,000	\$ 6,100,000	\$ 5,000,000	\$ 5,661,948	\$ 4,200,000	\$ 4,000,000
Ceded				-	-	-	-	-	-	-
Net incurred	4,817,160	5,230,168	5,810,733	5,758,853	7,200,000	6,100,000	5,000,000	5,661,948	4,200,000	4,000,000
3. Paid losses (cumulative)										
Policy year	\$ 228,633	\$ 218,600	\$ 315,419	\$ 65,891	\$ 370,068	\$ 204,471	\$ 191,096	\$ 488,303	\$ 300,619	\$ 212,685
One year later		996,329	695,219	865,834	1,556,915	1,293,900	1,046,015	1,565,014	996,086	666,589
Two years later			1,269,709	1,438,832	2,540,450	3,137,921	1,853,592	3,508,560	1,708,917	1,724,554
Three years later				1,936,346	3,327,444	4,150,014	2,093,676	4,377,710	2,324,213	2,679,700
Four years later					3,728,788	4,840,222	2,204,367	4,895,095	2,955,029	3,210,431
Five years later						5,211,500	2,569,220	5,057,929	3,396,543	3,265,165
Six years later							2,686,674	5,497,215	5,399,123	3,400,373
Seven years later								5,583,547	5,428,950	3,506,283
Eight years later									5,457,879	3,551,987
Nine years later										3,592,471
4. Re-estimated ceded losses					\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5. Re-estimated total incurred losses										
Policy year	\$ 4,817,160	\$ 5,230,168	\$ 5,810,733	\$ 5,758,853	\$ 7,200,000	\$ 6,100,000	\$ 5,000,000	\$ 5,661,948	\$ 4,200,000	\$ 4,000,000
One year later		4,630,519	4,947,324	4,882,627	6,980,917	6,400,000	5,400,000	5,558,460	5,661,948	3,800,000
Two years later			3,833,130	3,757,645	5,720,938	7,114,842	5,200,000	6,700,000	4,488,400	4,411,547
Three years later				3,399,910	4,983,224	6,588,309	4,243,843	6,700,000	4,296,989	3,933,977
Four years later					4,866,198	5,841,318	3,441,443	6,403,995	4,311,985	4,231,631
Five years later						5,918,048	4,009,629	6,010,391	5,743,561	4,072,787
Six years later							3,510,893	5,847,840	5,858,317	4,429,436
Seven years later								5,709,596	5,729,184	3,680,770
Eight years later									5,585,214	3,685,682
Nine years later										3,614,935
6. Increase (decrease) in total incurred losses from end of policy year		\$ (599,649)	\$ (1,977,603)	\$ (2,358,943)	\$ (2,333,802)	\$ (181,952)	\$ (1,489,107)	\$ 47,648	\$ 1,385,214	\$ (385,065)

Virginia Risk Sharing Association and Subsidiaries
Claims Development by Line of Coverage, Continued
As of Fiscal and Policy Years Ended June 30,

AUTOMOBILE										
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
1. Premiums										
Earned	\$ 15,539,633	\$ 12,837,459	\$ 10,638,160	\$ 4,270,004	\$ 10,662,244	\$ 7,834,492	\$ 8,867,732	\$ 8,326,381	\$ 8,092,621	\$ 8,181,996
Ceded						-	-	-	-	-
Net earned	15,539,633	12,837,459	10,638,160	4,270,004	10,662,244	7,834,492	8,867,732	8,326,381	8,092,621	8,181,996
2. Initial estimated total incurred losses										
Incurred	\$ 14,213,462	\$ 13,243,347	\$ 13,268,192	\$ 11,016,194	\$ 7,886,800	\$ 8,964,716	\$ 10,630,065	\$ 10,709,000	\$ 8,200,000	\$ 8,350,000
Ceded		141,750	199,970	70,036	386,800	64,716	36,196	1,509,000	-	-
Net incurred	14,213,462	13,101,597	13,068,222	10,946,158	7,500,000	8,900,000	10,593,869	9,200,000	8,200,000	8,350,000
3. Paid losses (cumulative)										
Policy year	\$ 6,048,715	\$ 6,056,997	\$ 4,742,980	\$ 3,733,280	\$ 2,868,084	\$ 3,612,342	\$ 3,869,183	\$ 3,140,582	\$ 3,058,884	\$ 2,775,793
One year later		7,722,226	6,334,787	4,717,036	4,726,734	4,819,498	5,523,981	4,708,141	3,737,665	4,389,227
Two years later			6,523,187	5,122,404	4,230,677	8,023,516	7,386,973	5,122,207	4,742,899	4,714,299
Three years later				5,617,079	5,367,984	7,579,414	7,606,114	7,207,175	5,376,142	5,211,329
Four years later					5,552,828	7,876,380	8,596,416	7,597,213	5,547,273	5,342,469
Five years later						7,882,216	8,732,072	9,525,861	5,699,752	5,353,254
Six years later							8,740,882	10,920,510	5,927,804	5,523,221
Seven years later								10,963,950	6,446,076	5,523,221
Eight years later									6,443,368	5,523,221
Nine years later										5,523,299
4. Re-estimated ceded losses	\$ 895,515	\$ 922,090	\$ 2,012,109	\$ 114,132	\$ 309,443	\$ 1,539,762	\$ 3,917,430	\$ 9,336,799	\$ -	\$ 106,632
5. Re-estimated total incurred losses										
Policy year	\$ 14,213,462	\$ 13,101,597	\$ 13,068,222	\$ 10,946,158	\$ 7,500,000	\$ 8,900,000	\$ 10,593,869	\$ 9,200,000	\$ 8,200,000	\$ 8,350,000
One year later		13,210,774	11,026,328	9,215,349	7,307,987	8,114,045	9,847,483	880,772	7,227,666	7,603,261
Two years later			9,894,769	8,372,855	6,413,745	8,639,673	9,643,218	8,726,221	7,135,212	7,062,516
Three years later				6,804,636	7,063,082	8,647,685	10,160,268	9,106,960	6,722,608	6,314,693
Four years later					5,886,831	8,366,229	9,286,722	9,399,212	6,612,751	5,805,539
Five years later						8,157,647	9,052,610	11,041,790	6,623,123	5,655,549
Six years later							8,916,416	11,110,145	6,620,954	5,566,502
Seven years later								10,994,064	6,554,297	5,541,801
Eight years later									6,581,796	5,523,221
Nine years later										5,523,299
6. Increase (decrease) in total incurred losses from end of policy year		\$ 109,177	\$ (3,173,453)	\$ (4,141,522)	\$ (1,613,169)	\$ (742,353)	\$ (1,677,453)	\$ 1,794,064	\$ (1,618,204)	\$ (2,826,701)

Virginia Risk Sharing Association and Subsidiaries
Claims Development by Line of Coverage, Continued
As of Fiscal and Policy Years Ended June 30,

PROPERTY										
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
1. Premiums										
Earned	\$ 21,045,222	\$ 20,464,300	\$ 17,956,467	\$ 11,979,975	\$ 15,284,957	\$ 14,597,598	\$ 13,123,542	\$ 12,682,673	\$ 13,110,014	\$ 12,190,146
Ceded	14,254,374	12,882,939	10,198,136	9,173,071	6,962,214	6,885,035	6,302,542	5,817,904	6,025,635	5,658,780
Net earned	6,790,848	7,581,361	7,758,331	2,806,904	8,322,743	7,712,563	6,821,000	6,864,769	7,084,379	6,531,366
2. Initial estimated total incurred losses										
Incurred	\$ 10,114,047	\$ 11,733,312	\$ 8,444,038	\$ 8,320,894	\$ 4,300,000	\$ 15,460,000	\$ 5,731,843	\$ 6,090,757	\$ 6,967,328	\$ 3,250,000
Ceded		3,636,621	-	145,463	-	9,710,000	-	690,757	967,328	-
Net incurred	10,114,047	8,096,691	8,444,038	8,175,431	4,300,000	5,750,000	5,731,843	5,400,000	6,000,000	3,250,000
3. Paid losses (cumulative)										
Policy year	\$ 4,867,795	\$ 1,949,415	\$ 5,040,091	\$ 3,441,222	\$ 2,427,492	\$ 3,659,094	\$ 3,860,418	\$ 3,556,058	\$ 2,536,821	\$ 1,665,250
One year later		6,012,200	5,989,146	6,199,474	3,856,724	6,440,007	4,917,287	4,774,833	4,751,780	2,469,904
Two years later			6,072,393	5,065,672	3,858,007	6,480,011	4,975,723	4,877,479	5,097,805	2,510,581
Three years later				5,052,066	3,889,973	5,827,390	4,911,079	4,844,126	5,063,690	2,569,111
Four years later					3,835,432	5,690,883	4,895,601	4,840,006	5,065,918	2,569,374
Five years later						5,685,810	4,821,510	5,032,767	5,066,518	2,574,799
Six years later							4,819,159	5,031,320	4,973,840	2,564,799
Seven years later								5,031,462	4,973,895	2,564,542
Eight years later									4,973,970	2,564,542
Nine years later										2,564,542
4. Re-estimated ceded losses	\$ 824,051	\$ 7,212,963	\$ 1,348,854	\$ 5,669,195	\$ -	\$ 11,165,845	\$ -	\$ 1,021,605	\$ 978,517	\$ -
5. Re-estimated total incurred losses										
Policy year	\$ 10,114,047	\$ 8,096,691	\$ 8,444,038	\$ 8,175,431	\$ 4,300,000	\$ 5,750,000	\$ 5,731,843	\$ 5,400,000	\$ 6,000,000	\$ 3,250,000
One year later		6,621,803	6,552,052	7,488,426	4,204,209	6,910,381	5,350,000	5,114,167	5,400,000	3,000,000
Two years later			6,294,923	5,136,265	3,931,582	6,651,087	5,104,050	4,996,317	5,211,475	2,700,000
Three years later				5,082,868	3,902,128	5,839,051	4,965,228	4,883,456	5,082,453	2,579,795
Four years later					3,835,461	5,690,893	4,903,686	4,852,603	5,081,072	2,569,375
Five years later						5,686,950	4,821,510	5,034,360	5,125,000	2,580,612
Six years later							4,819,159	5,031,320	5,038,120	2,564,799
Seven years later								5,031,462	4,973,895	2,564,542
Eight years later									4,973,970	2,564,542
Nine years later										2,564,542
6. Increase (decrease) in total incurred losses from end of policy year		\$ (1,474,888)	\$ (2,149,115)	\$ (3,092,563)	\$ (464,539)	\$ (63,050)	\$ (912,684)	\$ (368,538)	\$ (1,026,030)	\$ (685,458)

Virginia Risk Sharing Association and Subsidiaries
Claims Development by Line of Coverage, Continued
As of Fiscal and Policy Years Ended June 30,

BOILER & MACHINERY										
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
1. Premiums										
Earned	\$ 1,263,894	\$ 1,216,419	\$ 1,166,665	\$ 477,952	\$ 1,134,271	\$ 998,235	\$ 911,528	\$ 884,471	\$ 913,712	\$ 867,745
Ceded	617,794	582,462	580,801			424,681	381,030	350,559	385,867	356,676
Net earned	646,100	633,957	585,864	477,952	1,134,271	573,554	530,498	533,912	527,845	511,069
2. Initial estimated total incurred losses										
Incurred	\$ 394,645	\$ 804,806	\$ 1,400,948	\$ 258,568	\$ 300,000	\$ 467,000	\$ 517,000	\$ 515,584	\$ 125,000	\$ 150,000
Ceded		-	566,957	-	-	17,000	17,000	115,584	-	-
Net incurred	394,645	804,806	833,991	258,568	300,000	450,000	500,000	400,000	125,000	150,000
3. Paid losses (cumulative)										
Policy year	\$ 145,966	\$ 611,420	\$ 264,503	\$ 98,356	\$ 170,476	\$ 145,626	\$ 208,386	\$ 176,299	\$ 2,561	\$ 33,016
One year later		838,580	834,651	303,976	270,476	317,055	395,961	256,305	129,845	133,015
Two years later			657,694	303,976	270,476	318,055	437,127	256,305	129,845	133,015
Three years later				303,976	270,476	317,055	437,127	256,305	129,845	133,015
Four years later					270,476	317,055	437,127	256,305	129,845	133,015
Five years later						317,055	437,127	256,305	129,845	133,015
Six years later							437,127	256,305	129,845	133,015
Seven years later								256,305	129,845	133,015
Eight years later									129,845	133,015
Nine years later										133,015
4. Re-estimated ceded losses		\$ -	\$ 514,870		\$ 27,020	\$ -	\$ -	\$ 115,584	\$ -	\$ 912,316
5. Re-estimated total incurred losses										
Policy year	\$ 394,645	\$ 804,806	\$ 833,991	\$ 258,568	\$ 300,000	\$ 450,000	\$ 500,000	\$ 400,000	\$ 125,000	\$ 150,000
One year later		838,580	834,651	308,819	281,134	317,055	395,961	256,305	129,845	133,680
Two years later			657,694	303,976	270,476	317,055	437,127	256,305	129,845	133,015
Three years later				303,976	270,476	317,055	437,127	256,305	129,845	133,015
Four years later					270,476	317,055	437,127	256,305	129,845	133,015
Five years later						317,055	437,127	256,305	129,845	133,015
Six years later							437,127	256,305	129,845	133,015
Seven years later								256,305	129,845	133,015
Eight years later									129,845	133,015
Nine years later										133,015
6. Increase (decrease) in total incurred losses from end of policy year		\$ 33,774	\$ (176,297)	\$ 45,408	\$ (29,524)	\$ (132,945)	\$ (62,873)	\$ (143,695)	\$ 4,845	\$ (16,985)

Virginia Risk Sharing Association and Subsidiaries
Claims Development by Line of Coverage, Continued
As of Fiscal and Policy Years Ended June 30,

FIDELITY & CRIME										
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
1. Premiums										
Earned	\$ 344,314	\$ 331,283	\$ 297,169	\$ 132,329	\$ 341,109	\$ 295,818	\$ 279,315	\$ 276,779	\$ 297,756	\$ 300,405
Ceded						-	-	-	-	-
Net earned	344,314	331,283	297,169	132,329	341,109	295,818	279,315	276,779	297,756	300,405
2. Initial estimated total incurred losses										
Incurred	\$ 93,859	\$ 285,760	\$ 202,616	\$ 150,000	\$ 100,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 100,000	\$ 100,000
Ceded			-		-	-	-	-	-	-
Net incurred	93,859	285,760	202,616	150,000	100,000	150,000	150,000	150,000	100,000	100,000
3. Paid losses (cumulative)										
Policy year	\$ 38,016	\$ 220,097	\$ 17,587	\$ -	\$ -	\$ -	\$ 3,126	\$ -	\$ -	\$ 2,145
One year later		220,097	11,248	-	-	22,242	3,126	-	118,703	190,911
Two years later			38,475	-	-	22,242	3,126	-	121,736	190,911
Three years later				13,278	-	22,242	3,126	1,163	121,736	190,911
Four years later					-	22,242	3,126	1,163	121,736	190,911
Five years later						22,242	3,126	1,163	121,736	190,911
Six years later							3,126	1,163	121,736	190,911
Seven years later								1,163	121,493	190,911
Eight years later									121,493	190,911
Nine years later										190,911
4. Re-estimated ceded losses		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5. Re-estimated total incurred losses										
Policy year	\$ 93,859	\$ 285,760	\$ 202,616	\$ 150,000	\$ 100,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 100,000	\$ 100,000
One year later		235,745	38,669	49,378	25,000	75,000	100,000	50,000	175,000	250,000
Two years later			39,248	22,664	11,152	25,000	3,126	-	150,000	225,000
Three years later				22,110	-	23,354	3,126	1,163	121,736	190,911
Four years later					-	22,242	3,126	1,163	121,736	190,911
Five years later						22,242	3,126	1,163	121,736	190,911
Six years later							3,126	1,163	121,736	190,911
Seven years later								1,163	121,493	190,911
Eight years later									121,493	190,911
Nine years later										190,911
6. Increase (decrease) in total incurred losses from end of policy year		\$ (50,015)	\$ (163,368)	\$ (127,890)	\$ (100,000)	\$ (127,758)	\$ (146,874)	\$ (148,837)	\$ 21,493	\$ 90,911

Virginia Risk Sharing Association and Subsidiaries
Claims Development by Line of Coverage, Continued
As of Fiscal and Policy Years Ended June 30,

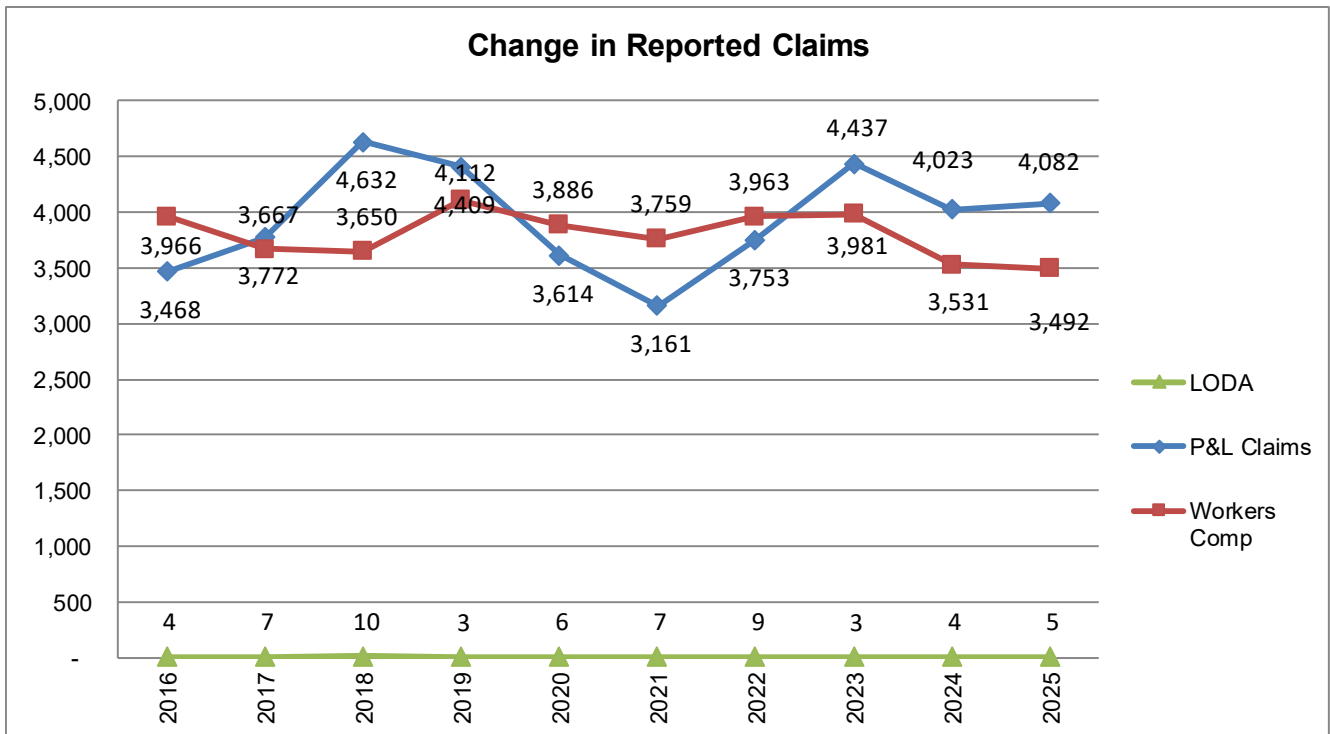
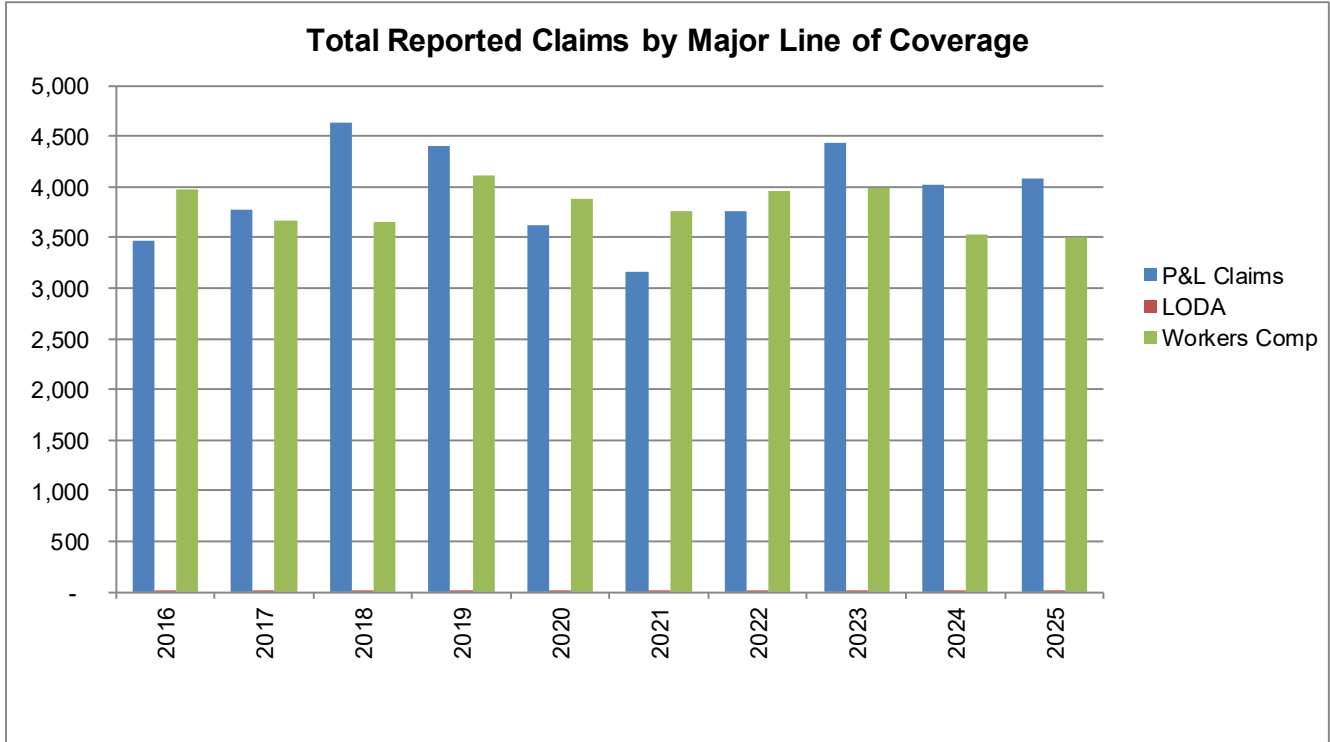
CYBER										
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
1. Premiums										
Earned	\$ 2,073,090	\$ 1,559,802	\$ 1,122,564	\$ 317,089	\$ 748,483	\$ 436,175	\$ 369,560	\$ 318,772		
Ceded	306,825	306,825	306,825	18,033	120,514	85,866	85,136	68,712		
Net earned	1,766,265	1,252,977	815,739	299,056	627,969	350,309	284,424	250,060		
2. Initial estimated total incurred losses										
Incurred	\$ 1,988,499	\$ 1,351,103	\$ 1,456,790	\$ 968,867	\$ -	\$ 350,000	\$ -	\$ -		
Ceded		-	-	7,399	-	-	-	-		
Net incurred	1,988,499	1,351,103	1,456,790	961,468	-	350,000	200,000	150,000		
3. Paid losses (cumulative)										
Policy year	\$ 530,781	\$ 222,840	\$ 255,333	\$ 225,980	\$ -	\$ 65,903	\$ 19,708	\$ 1,971		
One year later		326,596	853,601	480,743	-	82,806	92,286	39,924		
Two years later			853,741	480,743	-	82,806	64,763	61,971		
Three years later				479,768	-	82,806	64,763	21,971		
Four years later					-	82,806	64,763	21,971		
Five years later						82,806	64,763	21,971		
Six years later							64,763	21,971		
Seven years later								21,971		
Eight years later										
Nine years later										
4. Re-estimated ceded losses	\$ 200,000	\$ -		\$ -	\$ -	\$ 25,000	\$ 42,927	\$ 71,668		
5. Re-estimated total incurred losses										
Policy year	\$ 1,988,499	\$ 1,351,103	\$ 1,456,790	\$ 961,468	\$ -	\$ 350,000	\$ 200,000	\$ 150,000		
One year later		675,930	1,315,785	672,084	-	150,000	200,000	150,000		
Two years later			1,105,715	570,164	-	100,000	100,000	75,000		
Three years later				514,399	-	85,290	100,000	25,000		
Four years later					-	83,634	65,411	21,971		
Five years later						82,806	64,763	21,971		
Six years later							64,763	21,971		
Seven years later								21,971		
Eight years later										
Nine years later										
6. Increase (decrease) in total incurred losses from end of policy year		\$ (675,173)	\$ (351,075)	\$ (447,069)	\$ -	\$ (267,194)	\$ (135,237)	\$ (128,029)		

Virginia Risk Sharing Association and Subsidiaries
Reported Claims Analysis by Line of Coverage
For Policy Years Ended June 30,

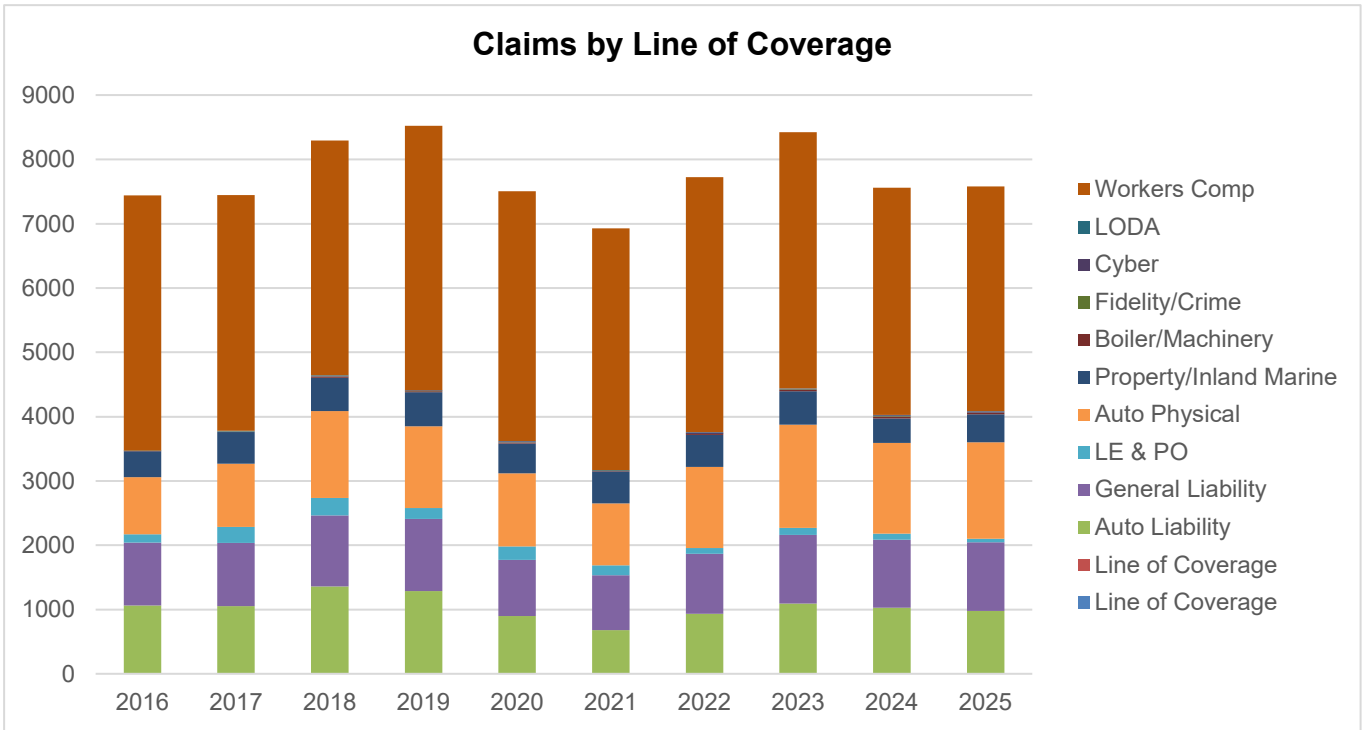
Line of Coverage	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Auto Liability	1,062	1,052	1,360	1,286	898	678	934	1,092	1,030	976
General Liability	977	986	1,101	1,122	873	858	933	1,069	1,058	1,068
LE & PO	132	248	274	168	212	154	92	109	90	57
Auto Physical	888	984	1,352	1,271	1,136	960	1,258	1,605	1,414	1,501
Property/Inland Marine	402	488	518	533	462	501	500	518	382	437
Boiler/Machinery	4	7	14	15	14	8	13	20	26	18
Fidelity/Crime	3	7	7	3	6	2	2	10	10	6
Cyber	-	-	6	11	13	-	21	14	13	19
LODA	4	7	10	3	6	7	9	3	4	5
Workers Comp	3,966	3,667	3,650	4,112	3,886	3,759	3,963	3,981	3,531	3,492
Total Claims Reported	7,438	7,446	8,292	8,524	7,506	6,927	7,725	8,421	7,558	7,579
% change		0.11%	11.36%	2.80%	-11.94%	-7.71%	11.52%	9.01%	-10.25%	0.28%
overall % change										1.90%

Claims are reported via different methods including online, via the nurse triage service, fax, phone and mail.
 Claims are associated with the policy year that the occurrence happened in, regardless of when the claim is reported.
 As a result, claims counts can change for previous policy years.

Virginia Risk Sharing Association and Subsidiaries
Reported Claims Analysis by Line of Coverage, Continued
For Policy Years Ended June 30,



**Virginia Risk Sharing Association and Subsidiaries
 Reported Claims Analysis by Line of Coverage, Continued
 For Policy Years Ended June 30,**



Virginia Risk Sharing Association and Subsidiaries Total Ceded Loss Analysis

Policy Year	Ceded Losses - Workers Comp				Ceded Losses - Liability				Ceded Losses - Total			
	Total Ceded Losses	Ceded Received	Paid Ceded Receivable	Unpaid Ceded Recoverable	Total Ceded Losses	Ceded Received	Paid Ceded Receivable	Unpaid Ceded Recoverable	Total Ceded Losses	Ceded Received	Paid Ceded Receivable	Unpaid Ceded Recoverable
1980-81	\$ 228,418	\$ 228,418			\$ -	\$ -	\$ -	\$ -	\$ 228,418	\$ 228,418	\$ -	\$ -
1981-82	-	-			-	-	-	-	-	-	-	-
1982-83	386,880	276,381	13,134	97,365	-	-	-	-	386,880	276,381	13,134	97,365
1983-84	1,074,292	394,696	197,539	482,057	-	-	-	-	1,074,292	394,696	197,539	482,057
1984-85	1,094,501	2,064,311	-	(969,810)	-	-	-	-	1,094,501	2,064,311	-	(969,810)
1985-86	176,975	453,032	-	(276,057)	-	-	-	-	176,975	453,032	-	(276,057)
1986-87	455,714	180,522	42,337	232,855	-	-	-	-	455,714	180,522	42,337	232,855
1987-88	1,572,443	1,155,604	58,662	358,177	-	-	-	-	1,572,443	1,155,604	58,662	358,177
1988-89	2,178,428	848,375	188,547	1,141,506	-	-	-	-	2,178,428	848,375	188,547	1,141,506
1989-90	1,873,822	1,710,220	39,908	123,694	-	-	-	-	1,873,822	1,710,220	39,908	123,694
90/81 - 89/90	9,041,473	7,311,559	540,127	1,189,787	-	-	-	-	9,041,473	7,311,559	540,127	1,189,787
1990-91	1,279,633	766,132	17,668	495,833	-	-	-	-	1,279,633	766,132	17,668	495,833
1991-92	1,251,466	246,965	133,610	870,891	-	-	-	-	1,251,466	246,965	133,610	870,891
1992-93	1,118,480	803,993	117,616	196,871	-	-	-	-	1,118,480	803,993	117,616	196,871
1993-94	1,762,073	952,785	87,594	721,694	681,112	681,112	-	-	2,443,185	1,633,897	87,594	721,694
1994-95	856,903	526,914	70,894	259,095	69,203	69,203	-	-	926,106	596,117	70,894	259,095
1995-96	2,312,208	656,313	312,754	1,343,141	610,337	610,337	-	-	2,922,545	1,266,650	312,754	1,343,141
1996-97	4,649,397	1,589,533	640,071	2,419,793	281,118	281,118	-	-	4,930,515	1,870,651	640,071	2,419,793
1997-98	848,782	776,957	-	71,825	209,905	209,905	-	-	1,058,687	986,862	-	71,825
1998-99	5,565,303	2,757,783	553,245	2,254,275	374,279	374,279	-	-	5,939,582	3,132,062	553,245	2,254,275
1999-00	2,154,654	448,202	335,915	1,370,537	795,536	795,536	-	-	2,950,190	1,243,738	335,915	1,370,537
90/91 - 99/00	21,798,899	9,525,577	2,269,367	10,003,955	3,021,488	3,021,488	-	-	24,820,387	12,547,065	2,269,367	10,003,955
2000-01	1,166,261	1,166,261	-	-	2,475,757	2,475,757	-	-	3,642,018	3,642,018	-	-
2001-02	422,318	361,828	-	60,490	2,428,656	2,428,656	-	-	2,850,974	2,790,484	-	60,490
2002-03	-	-	-	-	1,150,898	1,150,898	-	-	1,150,898	1,150,898	-	-
2003-04	335,026	335,026	-	-	4,857,555	4,857,555	-	-	5,192,581	5,192,581	-	-
2004-05	1,269,968	-	5,456	1,264,512	8,098,020	8,098,020	-	-	9,367,988	8,098,020	5,456	1,264,512
2005-06	837,479	482,230	-	355,249	4,317,382	4,317,382	-	-	5,154,861	4,799,612	-	355,249
2006-07	-	-	-	-	2,802,735	2,802,735	-	-	2,802,735	2,802,735	-	-
2007-08	-	-	-	-	3,914,351	3,914,351	-	-	3,914,351	3,914,351	-	-
2008-09	-	-	-	-	913,867	913,867	-	-	913,867	913,867	-	-
2009-10	-	-	-	-	1,625,014	1,625,014	-	-	1,625,014	1,625,014	-	-
2010-11	44,134	-	-	44,134	17,271,374	17,271,374	-	-	17,315,508	17,271,374	-	44,134
2011-12	1,065,531	262,382	-	803,149	323,524	323,524	-	-	1,389,055	585,906	-	803,149
2012-13	481,183	-	104,244	376,939	209,480	209,480	-	-	690,663	209,480	104,244	376,939
2013-14	-	-	-	-	8,271,578	8,271,578	-	-	8,271,578	8,271,578	-	-
2014-15	-	-	-	-	1,790,972	1,790,972	-	-	1,790,972	1,790,972	-	-
2015-16	31,343	31,343	-	-	1,018,949	1,018,949	-	-	1,050,292	1,050,292	-	-
2016-17	-	-	-	-	978,517	978,517	-	-	978,517	978,517	-	-
2017-18	-	-	-	-	10,240,227	10,240,227	-	-	10,240,227	10,240,227	-	-
2018-19	968,735	260,398	-	708,337	3,839,021	3,839,021	-	-	4,807,756	4,099,419	-	708,337
2019-20	437,000	-	-	437,000	12,437,343	12,437,343	-	-	12,874,343	12,437,343	-	437,000
2020-21	3,287,876	750,000	115,171	2,422,705	276,886	276,886	-	-	3,564,762	1,026,886	115,171	2,422,705
2021-22	747,808	-	-	747,808	5,915,777	3,924,468	1,991,309	-	6,663,585	3,924,468	1,991,309	747,808
2022-23	1,199,819	106,532	6,436	1,086,851	4,052,789	337,910	1,353,116	2,361,763	5,252,608	444,442	1,359,552	3,448,614
2023-24	382,189	-	-	382,189	8,561,540	2,447,184	1,401,174	4,713,182	8,943,729	2,447,184	1,401,174	5,095,371
2024-25	-	-	-	-	1,929,567	-	1,272,778	656,789	-	-	1,272,778	656,789
Grand Totals:	\$ 43,517,042	\$ 20,593,136	\$ 3,040,801	\$ 19,883,105	\$ 112,723,267	\$ 98,973,156	\$ 6,018,377	\$ 7,731,734	\$ 156,240,309	\$ 119,566,292	\$ 9,059,178	\$ 27,614,839

Ceded losses are losses that surpass a contracted self-insurance retention level and are then covered by one or more reinsurers.

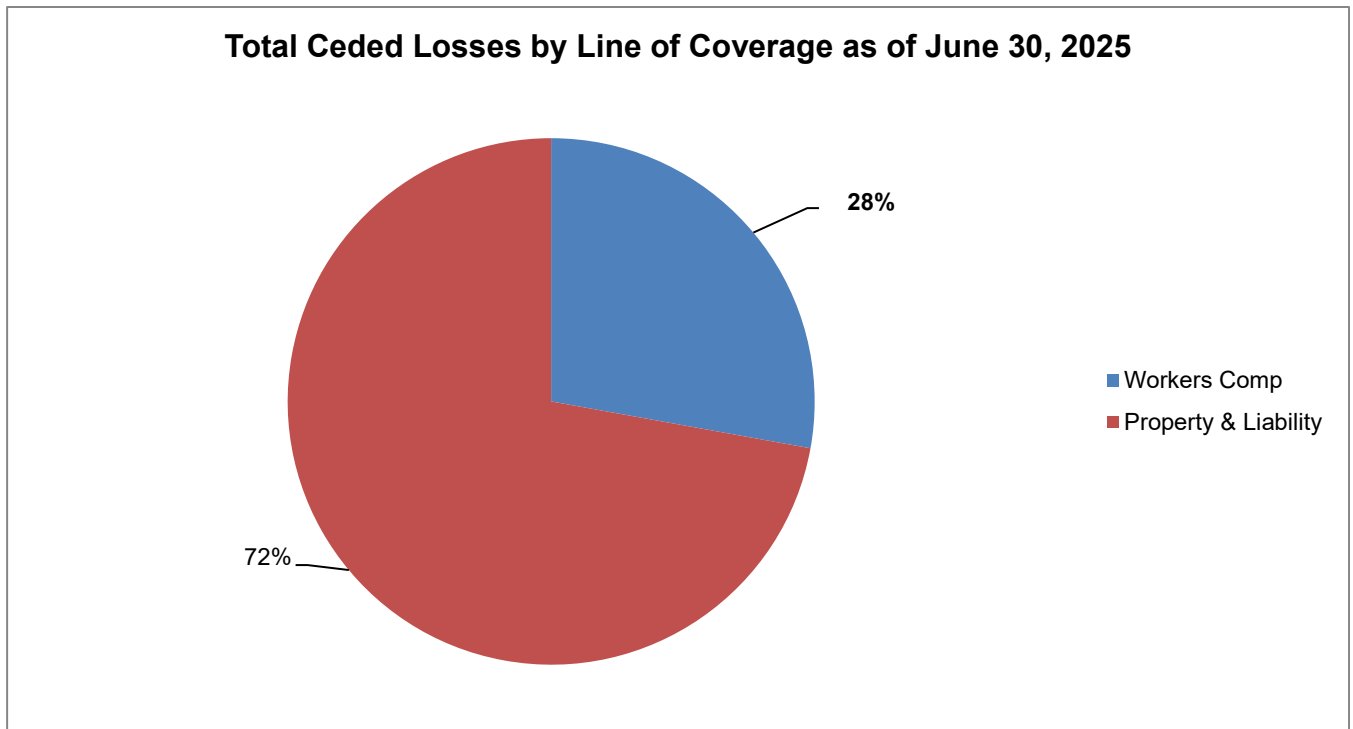
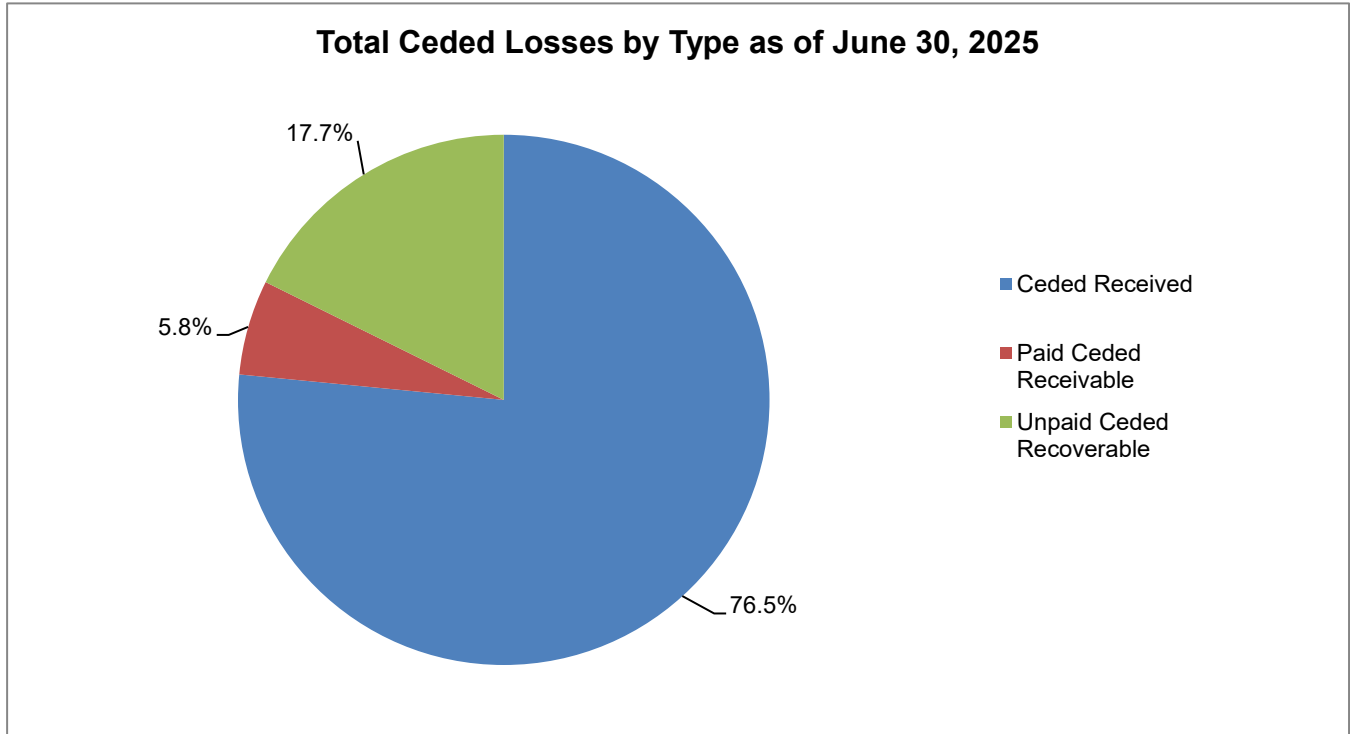
Total ceded losses = Ceded received + Paid Ceded receivable + Unpaid Ceded recoverable

Ceded received = loss expenses above retention that have been reimbursed by reinsurer(s)

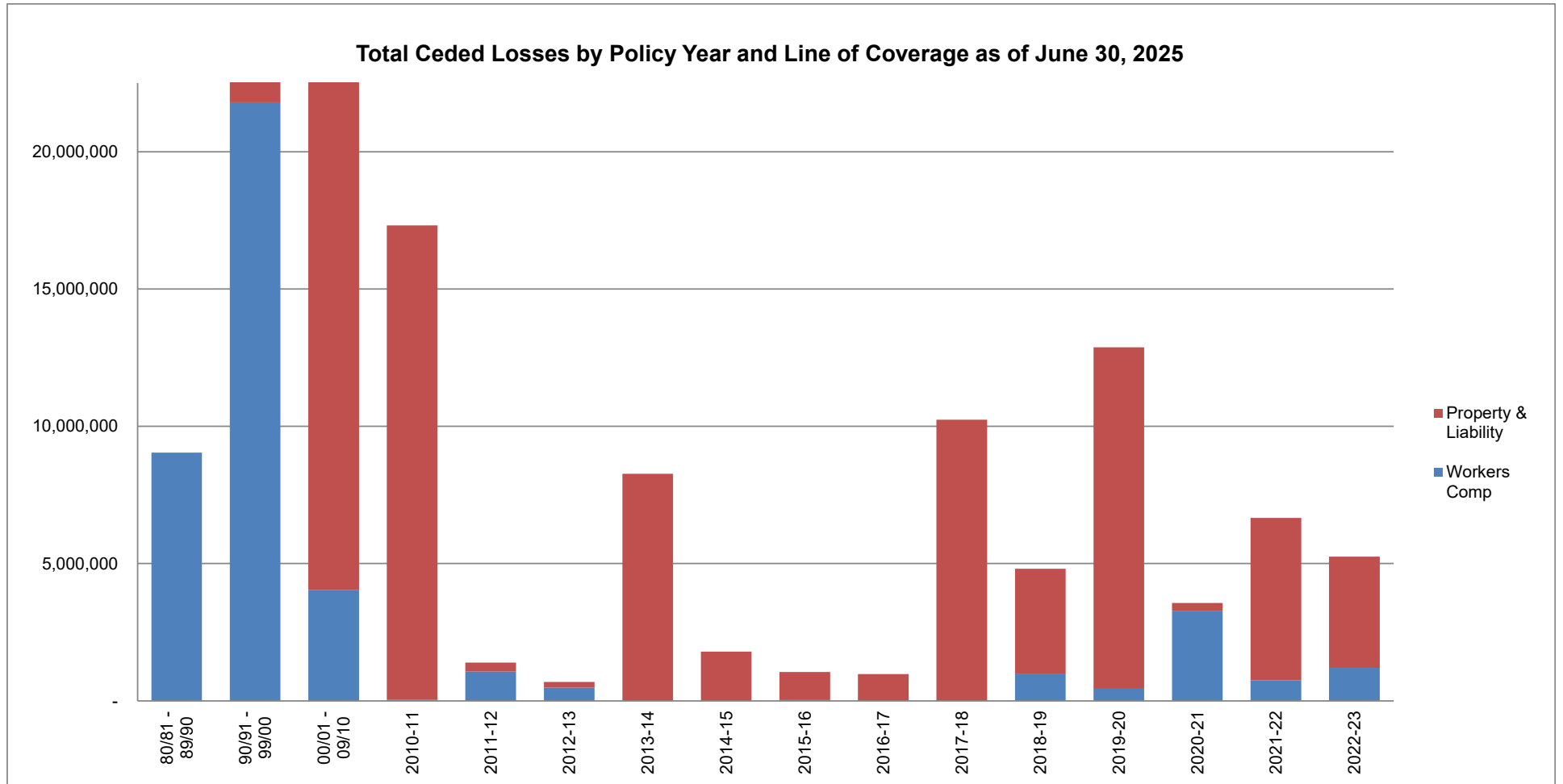
Paid Ceded receivable = loss expenses above retention that have been submitted to reinsurer(s) for reimbursement but not paid yet

Unpaid Ceded recoverable = loss reserves on a claim that are an estimation of expenses that will be submitted to reinsurer(s) for reimbursement

Virginia Risk Sharing Association and Subsidiaries
Total Ceded Loss Analysis, Continued



**Virginia Risk Sharing Association and Subsidiaries
Total Ceded Loss Analysis, Continued**



Virginia Risk Sharing Association and Subsidiaries Reinsurance History

Policy Years	Line of Coverage	Reinsurance Carrier	Retention Limits	Quota Share or Limit Cap
1980-81	WC	Insurance Company of North America	\$175,000	
1981-82	WC	Insurance Company of North America	\$175,000	
1982-83	WC	Mead Reinsurance Corp.	\$175,000	
1983-84	WC	Employers Reinsurance Corp.	\$175,000	
1984-85	WC	Employers Reinsurance Corp.	\$150,000	
1985-86	WC	Employers Reinsurance Corp.	\$150,000	
1986-87	GL & AL	General Reinsurance	\$500,000	50/50 on first \$500,000 above limit
	PD	General Reinsurance	\$50,000	\$1,000,000 cap
	WC	Employers Reinsurance Corp.	\$250,000	
1987-88	GL & AL	General Reinsurance	\$500,000	50/50 on first \$500,000 above limit
	PD	General Reinsurance	\$500,000	
	WC	Employers Reinsurance Corp.	\$250,000	
1988-89	GL & AL	General Reinsurance	\$500,000	50/50 on first \$500,000 above limit
	PD	General Reinsurance	\$50,000	\$1,000,000 cap
	WC	Employers Reinsurance Corp.	\$300,000	
1989-90	GL & AL	General Reinsurance	\$1,000,000	50/50 on first \$500,000 above limit
	PD	General Reinsurance	\$50,000	\$1,000,000 cap
	WC	General Reinsurance	\$400,000	
1990-91	GL & AL	General Reinsurance	\$1,000,000	50/50 on first \$500,000 above limit
	PD	General Reinsurance	\$50,000	\$1,000,000 cap
	WC	General Reinsurance	\$400,000	
1991-92	BM	Hartford Steam Boiler	100% reinsured	
	GL & AL	General Reinsurance	\$1,000,000	50/50 on first \$500,000 above limit
	PD	General Reinsurance	\$50,000	\$1,000,000 cap
	PR	Industrial Risk Mutual	100% reinsured	
	WC	General Reinsurance	\$400,000	
1992-93	BM	Hartford Steam Boiler	100% reinsured	
	GL & AL	General Reinsurance	\$1,000,000	50/50 on first \$500,000 above limit
	PD	General Reinsurance	\$50,000	\$1,000,000 cap
	PR	Industrial Risk Mutual	100% reinsured	
	WC	General Reinsurance	\$400,000	
1993-94	BM	Hartford Steam Boiler	100% reinsured	
	GL & AL	General Reinsurance	\$1,000,000	50/50 on first \$500,000 above limit
	PD	General Reinsurance	\$50,000	\$1,000,000 cap
	PR	Industrial Risk Mutual	100% reinsured	
	WC	General Reinsurance	\$400,000	
1994-95	BM	Hartford Steam Boiler	100% reinsured	
	GL & AL	General Reinsurance	\$1,000,000	50/50 on first \$500,000 above limit
	PD	General Reinsurance	\$50,000	\$1,000,000 cap
	PR	Industrial Risk Mutual	100% reinsured	
	WC	General Reinsurance	\$400,000	
1995-96	BM	Hartford Steam Boiler	100% reinsured	
	GL & AL	General Reinsurance	\$1,000,000	50/50 on first \$500,000 above limit
	PD	General Reinsurance	\$50,000	\$1,000,000 cap
	PR	Industrial Risk Mutual	100% reinsured	
	WC	General Reinsurance	\$400,000	
1996-97	BM	Hartford Steam Boiler	100% reinsured	
	GL & AL	General Reinsurance	\$1,000,000	50/50 on first \$500,000 above limit
	PD	General Reinsurance	\$50,000	\$1,000,000 cap
	PR	Industrial Risk Mutual	100% reinsured	
	WC	General Reinsurance	\$400,000	
1997-98	BM	Hartford Steam Boiler	100% reinsured	
	GL & AL	General Reinsurance	\$1,000,000	50/50 on first \$500,000 above limit
	PD	Swiss Reinsurance America	\$50,000	
	PR	Swiss Reinsurance America	\$25,000	\$300,000 annual aggregate
	WC	General Reinsurance	\$400,000	
1998-99	BM	Hartford Steam Boiler	100% reinsured	
	GL & AL	General Reinsurance	\$500,000	50/50 on first \$500,000 above limit
	PD	Swiss Reinsurance America	\$50,000	
	PR	Swiss Reinsurance America	\$25,000	\$300,000 annual aggregate
	WC	General Reinsurance	\$400,000	
	XS	General Reinsurance	100% reinsured	
1999-00	BM	Hartford Steam Boiler	100% reinsured	
	CC	Fidelity & Deposit Company of Maryland	100% reinsured	
	GL & AL	General Reinsurance	\$500,000	50/50 on first \$500,000 above limit
	LE & PO	General Reinsurance	\$500,000	50/50 on first \$500,000 above limit
	PD	Swiss Reinsurance America	\$50,000	
	PR	Swiss Reinsurance America	\$25,000	\$300,000 annual aggregate
	WC	General Reinsurance	\$400,000	
	XS	General Reinsurance	100% reinsured	

Virginia Risk Sharing Association and Subsidiaries Reinsurance History, Continued

Policy Years	Line of Coverage	Reinsurance Carrier	Retention Limits	Quota Share or Limit Cap
2000-01	BM, CC	Swiss Reinsurance America	\$25,000	
	GL & AL	General Reinsurance	\$500,000	50/50 on first \$500,000 above limit
	LE & PO	General Reinsurance	\$500,000	50/50 on first \$500,000 above limit
	PD	Swiss Reinsurance America	\$50,000	
	PR	Swiss Reinsurance America	\$50,000	\$500,000 annual aggregate
	WC	General Reinsurance	\$400,000	
	XS	General Reinsurance	100% reinsured	
2001-02	BM, CC	Swiss Reinsurance America	\$25,000	
	GL & AL	General Reinsurance	\$1,000,000	
	LE & PO	General Reinsurance	\$1,000,000	
	PD	Swiss Reinsurance America	\$50,000	
	PR	Swiss Reinsurance America	\$250,000	\$20M windstorm limit
	PR	Lloyds of London		50% \$30M excess of \$20M
	PR	Royal Indemnity		25% \$30M excess of \$20M, 50% \$50M excess of \$50M
	PR	Westchester Fire Insurance Company		25% \$30M excess of \$20M, 50% \$50M excess of \$50M
	WC	General Reinsurance	\$400,000	
	XS	General Reinsurance	100% reinsured	
2002-03	BM, CC	Swiss Reinsurance America	\$50,000	
	GL & AL	General Reinsurance	\$1,000,000	
	LE & PO	General Reinsurance	\$1,000,000	
	PD	Swiss Reinsurance America	\$50,000	
	PR	Swiss Reinsurance America	\$500,000	\$20M windstorm limit
	PR	Lloyds of London		\$30M excess of \$20M
	PR catastrophe	Swiss Reinsurance America	\$1,000,000	\$5M limit
	PR catastrophe	Lloyds of London		\$10M excess of \$5M
	WC	NLC Mutual Insurance Company	\$1,000,000	
	XS	General Reinsurance	\$1,000,000	25/75 quota share above limit
2003-04	BM, CC	Swiss Reinsurance America	\$100,000	
	GL, AL, PO, LE	NLC Mutual Insurance Company	\$1,000,000	
	PD	Swiss Reinsurance America	\$50,000	
	PR	Swiss Reinsurance America	\$1,000,000	\$20M windstorm limit
	PR	Lloyds of London		\$30M excess of \$20M
	PR catastrophe	Swiss Reinsurance America	\$1,000,000	\$5M limit
	PR catastrophe	Lloyds of London		\$10M excess of \$5M
	WC	NLC Mutual Insurance Company	\$1,000,000	
		XS	NLC Mutual Insurance Company	100% reinsured
	XS	General Reinsurance		100% excess of \$5M
2004-05	BM	Zurich American Insurance Company	25000	\$100M limit
	CC	Axis Reinsurance	\$300,000	60% of \$1M limit
	CC	Lloyds of London		20% of \$1M limit
	CC	Westchester Fire Insurance Company		20% of \$1M limit
	GL, AL, PO, LE	NLC Mutual Insurance Company	\$1,000,000	
	PR	Axis Reinsurance	\$500,000 & \$1M windstorm	60% of \$25M limit, 40% of \$75M excess of \$25M
	PR	Westchester Fire Insurance Company		20% of \$25M limit, 60% of \$75M excess of \$25M
	PR	Lloyds of London		20% of \$25M limit
	WC	NLC Mutual Insurance Company	\$1,000,000	
		XS	NLC Mutual Insurance Company	100% reinsured
	XS	General Reinsurance	100% reinsured	shared burden
2005-06	GL, AL, PO, LE	N/A - level self-insured	\$1,000,000	
	BM	Lexington Insurance Co (PEPIP)	\$25,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit
	BM	CNA Insurance Company	\$25,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit
	CC	National Union Fire Insurance Co.	\$300,000	\$1M limit
	PD	Lexington Insurance Co (PEPIP)	\$150,000	includes mobile equipment
	PR	Lexington Insurance Co (PEPIP)	\$500,000 & \$1M windstorm	\$1B limit
	WC	Safety National Casualty Corporation	\$1,000,000	
	XS	Evanston Insurance Company	100% reinsured	share in \$5M limit
	XS	James River Insurance Company	100% reinsured	share in \$5M limit
	XS	Liberty Mutual Insurance Company	100% reinsured	share in \$5M limit
	XS	Odyssey American Reinsurance Corp.	100% reinsured	share in \$5M limit
	XS	Signet Star Reinsurance	100% reinsured	share in \$5M limit
	XS	General Reinsurance	100% reinsured	members with \$6M - \$10M limits
XS	Landmark American Insurance	100% reinsured	members with greater than \$10M limits	
2006-07	GL, AL, PO, LE	N/A - level self-insured	\$1,000,000	
	BM	Lexington Insurance Co (PEPIP)	\$25,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit
	BM	CNA Insurance Company	\$25,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit
	CC	National Union Fire Insurance Co.	\$300,000	\$1M limit
	WC	Safety National Casualty Corporation	\$2,000,000	
	XS	ACE American Insurance Company	\$1,000,000	\$10M limit
	PD	Lexington Insurance Co (PEPIP)	\$150,000	includes mobile equipment
	PR	Lexington Insurance Co (PEPIP)	\$500,000	\$350M limit
	PR windstorm	Lexington Insurance Co (PEPIP)	\$1,000,000	\$100M limit
	PR flood	Lexington Insurance Co (PEPIP)	\$500,000	\$75M limit

**Virginia Risk Sharing Association and Subsidiaries
Reinsurance History, Continued**

<u>Policy Years</u>	<u>Line of Coverage</u>	<u>Reinsurance Carrier</u>	<u>Retention Limits</u>	<u>Quota Share or Limit Cap</u>
2007-08	GL, AL, PO, LE	N/A - level self-insured	\$1,000,000	
	BM	Lexington Insurance Co (PEPIP)	\$25,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit
	BM	CNA Insurance Company	\$25,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit
	CC	National Union Fire Insurance Co.	\$300,000	\$1M limit
	WC	NLC Mutual Insurance Company	\$2,000,000	\$500,000 excess of \$2M
	WC	Midwest Employers Casualty Company		100% excess of \$2.5M
	XS	ACE American Insurance Company	\$1,000,000	\$10M limit
	PD	Lexington Insurance Co (PEPIP)	\$150,000	includes mobile equipment
	PR	Lexington Insurance Co (PEPIP)	\$500,000	\$1B limit
	PR windstorm	Lexington Insurance Co (PEPIP)	\$1,000,000	\$250M limit
	PR flood	Lexington Insurance Co (PEPIP)	\$500,000	\$100M limit
2008-09	GL, AL, PO, LE	N/A - level self-insured	\$1,000,000	
	BM	Lexington Insurance Co (PEPIP)	\$25,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit
	BM	CNA Insurance Company	\$25,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit
	CC	National Union Fire Insurance Co.	\$300,000	\$1M limit
	WC	NLC Mutual Insurance Company	\$1,500,000	50/50 of \$500,000 excess of \$1.5M
	WC	Midwest Employers Casualty Company		100% excess of \$2M
	XS	ACE American Insurance Company	\$1,000,000 plus 10% excess	85% excess of \$1M to limit of \$10M
	XS	NLC Mutual Insurance Company		5% excess of \$1M to limit of \$10M
	PD	Lexington Insurance Co (PEPIP)	\$150,000	includes mobile equipment
	PR	Lexington Insurance Co (PEPIP)	\$500,000	\$1B limit
	PR windstorm	Lexington Insurance Co (PEPIP)	\$1,000,000	\$250M limit
PR flood	Lexington Insurance Co (PEPIP)	\$500,000	\$100M limit	
2009-10	GL, AL, PO, LE	N/A - level self-insured	\$1,000,000	
	BM	Lexington Insurance Co (PEPIP)	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit
	BM	CNA Insurance Company	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit
	CC	National Union Fire Insurance Co.	\$300,000	\$1M limit
	WC	NLC Mutual Insurance Company	\$1,000,000	50/50 of \$1M excess of \$1M
	WC	Midwest Employers Casualty Company		100% excess of \$2M
	XS	ACE American Insurance Company	\$1,000,000 plus 10% excess	85% excess of \$1M to limit of \$10M
	XS	NLC Mutual Insurance Company		5% excess of \$1M to limit of \$10M
	PD	Lexington Insurance Co (PEPIP)	\$150,000	includes mobile equipment
	PR	Lexington Insurance Co (PEPIP)	\$500,000	\$1B limit
	PR windstorm	Lexington Insurance Co (PEPIP)	\$1,000,000	\$250M limit
PR flood	Lexington Insurance Co (PEPIP)	\$500,000	\$100M limit	
2010-11	GL, AL, PO, LE	N/A - level self-insured	\$1,000,000	
	BM	Lexington Insurance Co (PEPIP)	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit
	BM	CNA Insurance Company	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit
	CC	National Union Fire Insurance Co.	\$300,000	\$1M limit
	WC	NLC Mutual Insurance Company	\$1,000,000	50/50 of \$500,000 excess of \$1M
	WC	Midwest Employers Casualty Company		100% excess of \$1.5M
	XS	ACE American Insurance Company	\$1,000,000 plus 10% excess	85% excess of \$1M to limit of \$10M
	XS	NLC Mutual Insurance Company		5% excess of \$1M to limit of \$10M
	PD	Lexington Insurance Co (PEPIP)	\$150,000	includes mobile equipment
	PR	Lexington Insurance Co (PEPIP)	\$500,000	\$1B limit
	PR windstorm	Lexington Insurance Co (PEPIP)	\$1,000,000	\$300M limit
PR flood	Lexington Insurance Co (PEPIP)	\$500,000	\$100M limit	
2011-12	GL, AL, PO, LE	N/A - level self-insured	\$1,000,000	
	BM	Lexington Insurance Co (PEPIP)	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit
	BM	CNA Insurance Company	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit
	CC	National Union Fire Insurance Co.	\$300,000	\$1M limit
	WC	NLC Mutual Insurance Company	\$1,000,000	\$500,000 excess of \$1M
	WC	Arch Insurance Company		100% excess of \$1.5M
	XS	ACE American Insurance Company	\$1,000,000	85% excess of \$1M to limit of \$10M
	XS	NLC Mutual Insurance Company		15% excess of \$1M to limit of \$10M
	PD	Lexington Insurance Co (PEPIP)	\$150,000	includes mobile equipment
	PR	Lexington Insurance Co (PEPIP)	\$500,000	\$1B limit
	PR windstorm	Lexington Insurance Co (PEPIP)	\$1,000,000	\$300M limit
PR flood	Lexington Insurance Co (PEPIP)	\$500,000	\$100M limit	
2012-13	GL, AL, PO, LE	N/A - level self-insured	\$1,000,000	
	BM	Lexington Insurance Co (PEPIP)	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit
	BM	Hartford Steam Boiler	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit
	CC	National Union Fire Insurance Co.	\$300,000	\$1M limit
	WC	NLC Mutual Insurance Company	\$750,000	50/50 on first \$750,000 above limit
	WC	Arch Insurance Company		100% excess of \$1.5M
	XS	ACE American Insurance Company	\$1,000,000	85% excess of \$1M to limit of \$10M
	XS	NLC Mutual Insurance Company		15% excess of \$1M to limit of \$10M
	PD	Lexington Insurance Co (PEPIP)	\$150,000	includes mobile equipment
	PR	Lexington Insurance Co (PEPIP)	\$500,000	\$1B limit
	PR windstorm	Lexington Insurance Co (PEPIP)	\$1,000,000	\$200M limit
PR flood	Lexington Insurance Co (PEPIP)	\$500,000	\$100M limit	

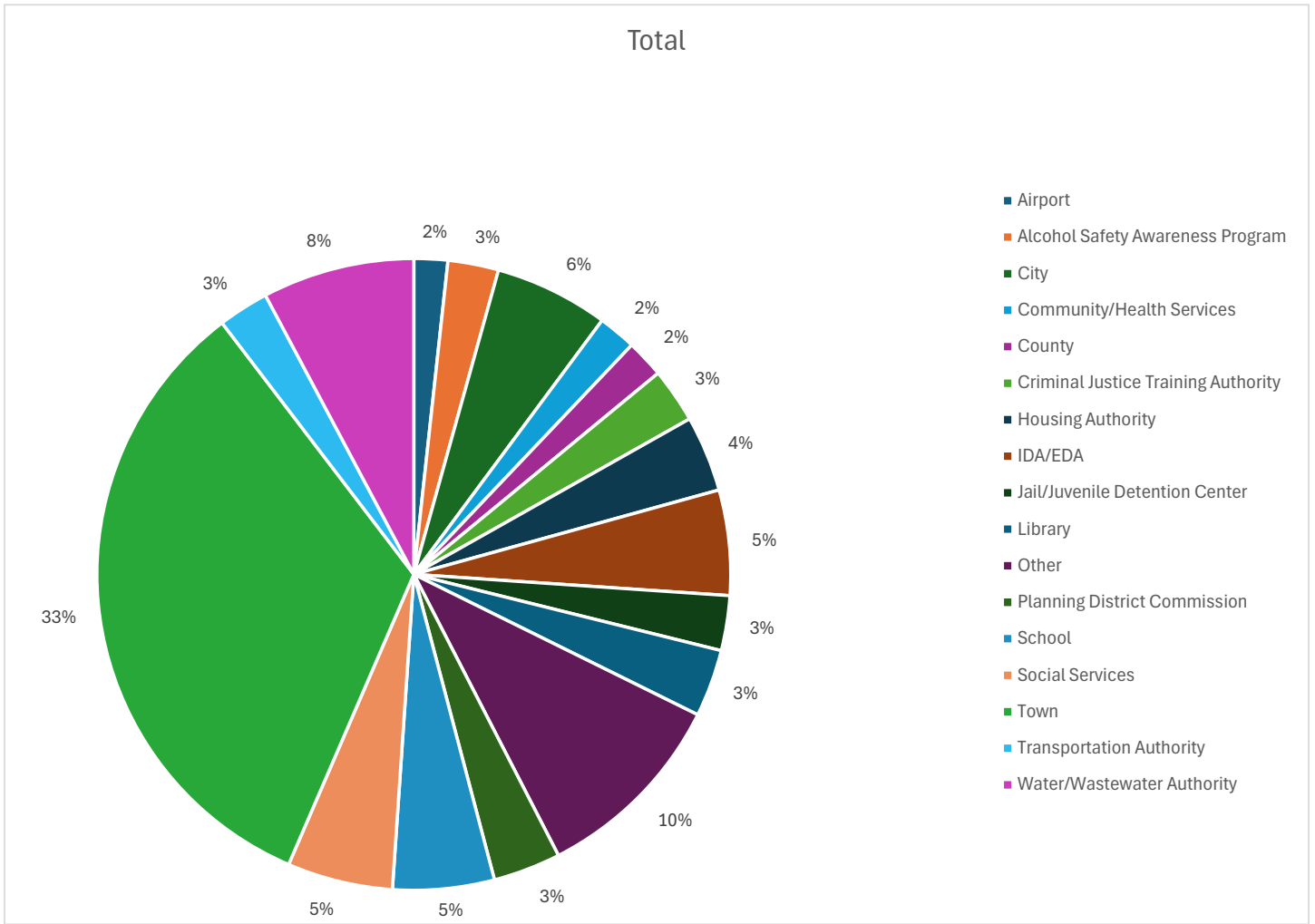
Virginia Risk Sharing Association and Subsidiaries Reinsurance History, Continued

Policy Years	Line of Coverage	Reinsurance Carrier	Retention Limits	Quota Share or Limit Cap	
2013-14	GL, AL, PO, LE	N/A - level self-insured	\$1,000,000		
	BM	Lexington Insurance Co (PEPIP)	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit	
	BM	Hartford Steam Boiler	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit	
	CC	National Union Fire Insurance Co.	\$300,000	\$1M limit	
	WC	NLC Mutual Insurance Company	\$750,000	50/50 on first \$750,000 above limit	
	WC	Arch Insurance Company		100% excess of \$1.5M	
	XS	ACE American Insurance Company	\$1,000,000	85% excess of \$1M to limit of \$10M	
	XS	NLC Mutual Insurance Company		15% excess of \$1M to limit of \$10M	
	PD	Lexington Insurance Co (PEPIP)	\$150,000	includes mobile equipment	
	PR	Lexington Insurance Co (PEPIP)	\$500,000	\$1B limit	
	PR windstorm	Lexington Insurance Co (PEPIP)	\$1,000,000	\$200M limit	
	PR flood	Lexington Insurance Co (PEPIP)	\$500,000	\$100M limit	
	2014-15	GL, AL, PO, LE	N/A - level self-insured	\$1,000,000	
BM		Lexington Insurance Co (PEPIP)	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit	
BM		Hartford Steam Boiler	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit	
CC		National Union Fire Insurance Co.	\$300,000	\$1M limit	
WC		NLC Mutual Insurance Company	\$750,000	50/50 on first \$750,000 above limit	
WC		Arch Insurance Company		100% excess of \$1.5M	
XS		ACE American Insurance Company	\$1,000,000	85% excess of \$1M to limit of \$10M	
XS		NLC Mutual Insurance Company		15% excess of \$1M to limit of \$10M	
PD		Lexington Insurance Co (PEPIP)	\$150,000	includes mobile equipment	
PR		Lexington Insurance Co (PEPIP)	\$500,000	\$1B limit	
PR windstorm		Lexington Insurance Co (PEPIP)	\$1,000,000	\$200M limit	
PR flood		Lexington Insurance Co (PEPIP)	\$500,000	\$100M limit	
2015-16		GL, AL, PO, LE	N/A - level self-insured	\$1,000,000	
	BM	Lexington Insurance Co (PEPIP)	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit	
	BM	Hartford Steam Boiler	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit	
	CC	no longer reinsured			
	WC	NLC Mutual Insurance Company	\$750,000	75/25 on first \$750,000 above limit	
	WC	Arch Insurance Company		100% excess of \$1.5M after \$250K corridor	
	XS	ACE American Insurance Company	\$1,000,000	85% excess of \$1M to limit of \$10M	
	XS	NLC Mutual Insurance Company		15% excess of \$1M to limit of \$10M	
	PD	Lexington Insurance Co (PEPIP)	\$150,000	includes mobile equipment	
	PR	Lexington Insurance Co (PEPIP)	\$1,000,000	\$1B limit	
	PR windstorm	Lexington Insurance Co (PEPIP)	\$1,000,000	\$200M limit	
	PR flood	Lexington Insurance Co (PEPIP)	\$500,000	\$100M limit	
	2016-17	GL, AL, PO, LE	N/A - level self-insured	\$1,000,000	10% excess of \$1M to limit of \$10M limit
BM		Alliant Property Insurance Program (APIP)	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit	
BM		Hartford Steam Boiler	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit	
WC		NLC Mutual Insurance Company	\$750,000	75/25 on first \$750,000 above limit	
WC		Midwest Employers Casualty Company		100% excess of \$1.5M	
XS		ACE American Insurance Company	\$1,000,000	75% excess of \$1M to limit of \$10M	
XS		NLC Mutual Insurance Company		15% excess of \$1M to limit of \$10M	
PD		Alliant Property Insurance Program (APIP)	\$150,000	includes mobile equipment	
PR		Alliant Property Insurance Program (APIP)	\$1,000,000	\$1B limit	
PR windstorm		Alliant Property Insurance Program (APIP)	\$1,000,000	\$200M limit	
PR flood		Alliant Property Insurance Program (APIP)	\$500,000	\$100M limit	
2017-18		GL, AL, PO, LE	N/A - level self-insured	\$1,000,000	10% excess of \$1M to limit of \$10M limit
		BM	Alliant Property Insurance Program (APIP)	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit
	BM	Hartford Steam Boiler	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit	
	CL (Cyber)	Beazley	\$10,000 - \$50,000	\$25M limit	
	WC	Midwest Employers Casualty Company	\$1,500,000	100% excess of \$1.5M	
	XS	Chubb	\$1,000,000	90% excess of \$1M to limit of \$10M	
	PD	Alliant Property Insurance Program (APIP)	\$150,000	includes mobile equipment	
	PR	Alliant Property Insurance Program (APIP)	\$750,000	\$1B limit	
	PR windstorm	Alliant Property Insurance Program (APIP)	\$1,000,000	\$200M limit	
	PR flood	Alliant Property Insurance Program (APIP)	\$500,000	\$100M limit	
	2018-19	GL, AL, PO, LE	N/A - level self-insured	\$1,000,000	10% excess of \$1M to limit of \$10M limit
		Pollution	Chubb Environmental	\$25,000	\$1M pollution condition; \$10M aggregate
		BM	Lexington Insurance Co (PEPIP)	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit
BM		Hartford Steam Boiler	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit	
CL (Cyber)		Beazley (PEPIP)	\$10,000 - \$50,000	\$25M limit, \$10M member aggregate	
WC		Virginia interlocal Risk Sharing Assoc (captive)	\$750,000	100% excess of \$750,000	
WC		Midwest Employers Casualty Company	\$750,000	100% excess of \$1.5M	
XS		Chubb (ACE)	\$1,000,000	90% excess of \$1M to limit of \$10M	
PD		Lexington Insurance Co (PEPIP)	\$150,000	includes mobile equipment	
PR		Alliant Property Insurance Program (APIP)	\$750,000	\$1B limit	
PR windstorm		Alliant Property Insurance Program (APIP)	\$1,000,000	\$200M limit	
PR flood		Alliant Property Insurance Program (APIP)	\$500,000	\$100M limit	
2019-20		GL, AL, PO, LE	N/A - level self-insured	\$1,000,000	\$10M limit
	Pollution	Chubb Environmental	\$25,000	\$1M pollution condition; \$10M aggregate	
	BM	Lexington Insurance Co (PEPIP)	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit	
	BM	Hartford Steam Boiler	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit	
	CL (Cyber)	Beazley (PEPIP)	\$10,000 - \$50,000	\$25M limit, \$10M member aggregate	
	WC	Virginia interlocal Risk Sharing Assoc (captive)	\$750,000	100% excess of \$750,000 up to \$750,000	
	WC	Midwest Employers Casualty Company	\$750,000	100% excess of \$1.5M	
	XS	Virginia interlocal Risk Sharing Assoc (captive)	\$0	20% excess of \$1M to limit of \$10M	
	XS	Chubb (ACE)	\$0	80% excess of \$1M to limit of \$10M	
	PD	Lexington Insurance Co (PEPIP)	\$150,000	includes mobile equipment	
	PR	Alliant Property Insurance Program (APIP)	\$750,000	\$1B limit	
	PR windstorm	Alliant Property Insurance Program (APIP)	\$1,000,000	\$200M limit	
	PR flood	Alliant Property Insurance Program (APIP)	\$500,000	\$100M limit	

Virginia Risk Sharing Association and Subsidiaries Reinsurance History, Continued

Policy Years	Line of Coverage	Reinsurance Carrier	Retention Limits	Quota Share or Limit Cap	
2020-21	GL, AL, PO, LE	N/A - level self-insured	\$1,000,000	\$10M limit	
	Pollution	Chubb Environmental	N/A	\$1M pollution condition; \$10M aggregate	
	BM	Lexington Insurance Co (PEPIP)	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit	
	BM	Hartford Steam Boiler	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit	
	CL (Cyber)	Beazley (PEPIP)	N/A	\$2M limit, \$25M member aggregate	
	WC	Virginia interlocal Risk Sharing Assoc (captive)	\$750,000	100% excess of \$750,000 up to \$750,000	
	WC	Midwest Employers Casualty Company	\$750,000	100% excess of \$1.5M	
	XS	Virginia interlocal Risk Sharing Assoc (captive)	\$0	20% excess of \$1M to limit of \$10M	
	XS	Chubb (ACE)	\$0	80% excess of \$1M to limit of \$10M	
	PD	Lexington Insurance Co (PEPIP)	\$150,000	includes mobile equipment	
	PR	Alliant Property Insurance Program (APIP)	\$1,000,000	\$500M limit	
	PR windstorm	Alliant Property Insurance Program (APIP)	\$1,000,000	\$200M limit	
	PR flood	Alliant Property Insurance Program (APIP)	\$1,000,000	\$100M limit	
	2021-22	GL, AL, PO, LE	N/A - level self-insured	\$1,000,000	\$10M limit per occurrence
		Pollution	Ironshore	N/A	\$1M pollution condition; \$2M aggregate
BM		Lexington Insurance Co (PEPIP)	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit	
BM		Hartford Steam Boiler	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit	
CL (Cyber)		Virginia interlocal Risk Sharing Assoc (captive)	N/A	\$6M aggregate stop loss via Chubb	
WC		Virginia interlocal Risk Sharing Assoc (captive)	\$750,000	100% excess of \$750,000 up to \$1.5M	
WC		Midwest Employers Casualty Company	\$1,500,000	100% excess of \$1.5M	
XS		Virginia interlocal Risk Sharing Assoc (captive)	\$0	20% excess of \$1M to limit of \$10M	
XS		Chubb (ACE)	\$0	80% excess of \$1M to limit of \$10M	
PD/AP		Lexington Insurance Co (PEPIP)	\$150,000	includes mobile equipment	
PR		Alliant Property Insurance Program (APIP)	\$1,000,000	\$500M limit	
PR windstorm		Alliant Property Insurance Program (APIP)	\$1,000,000	\$200M limit	
PR flood		Alliant Property Insurance Program (APIP)	\$1,000,000	\$100M limit	
2022-23		GL, AL, PO, LE	Virginia interlocal Risk Sharing Assoc (captive)	\$1,000,000	\$1,000,000 annual aggregate deductible
		Pollution	Ironshore	N/A	\$1M pollution condition; \$2M aggregate
	BM	Alliant Property Insurance Program (APIP)	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit	
	CL (Cyber)	Virginia Risk Sharing Association	\$250,000	\$250,000 per occurrence	
	CL (Cyber)	Virginia interlocal Risk Sharing Assoc (captive)	\$750,000	\$750,000 per occurrence	
	CL (Cyber)	Virginia Risk Sharing Association	\$750,001	\$5M	
	CL (Cyber)	Tokio Marine	\$5,000,000	\$5M x of VRSA/VIRSA	
	CL (Cyber)	Virginia Risk Sharing Association	\$11,000,000	\$15,000,000	
	WC	Virginia Risk Sharing Association	\$11,000,000	\$15,000,000	
	WC	Virginia Risk Sharing Association	\$750,000	100% excess of \$750,000 up to \$1.75M	
	WC	Virginia interlocal Risk Sharing Assoc (captive)	\$1,000,000	100% excess of \$1M up to \$1.75M	
	XS	Midwest Employers Casualty Company	\$1,750,000	100% excess of \$1.75M	
	PD/AP	Alliant Property Insurance Program (APIP)	\$1,000,000		
	PD/IM	Alliant Property Insurance Program (APIP)	\$150,000		
	PR	Virginia Risk Sharing Association	\$1,000,000	\$1,000,000 annual aggregate deductible	
PR	Alliant Property Insurance Program (APIP)	\$1,000,000	\$500M limit		
PR windstorm	Alliant Property Insurance Program (APIP)	\$1,000,000	\$200M limit		
PR flood	Alliant Property Insurance Program (APIP)	\$1,000,000	\$100M limit		
2023-24	GL, AL, PO, LE	Virginia interlocal Risk Sharing Assoc (captive)	\$1,000,000	\$1,000,000 annual aggregate deductible	
	Pollution	Ironshore	N/A	\$1M pollution condition; \$2M aggregate	
	BM	Alliant Property Insurance Program (APIP)	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit	
	CL (Cyber)	Virginia Risk Sharing Association	\$250,000	\$250,000 per occurrence	
	CL (Cyber)	Virginia interlocal Risk Sharing Assoc (captive)	\$750,000	\$750,000 per occurrence; \$2M aggregate	
	CL (Cyber)	Virginia Risk Sharing Association	\$750,001	\$5M	
	CL (Cyber)	Tokio Marine	\$5,000,000	\$5M x of VRSA/VIRSA	
	CL (Cyber)	Virginia Risk Sharing Association	\$11,000,000	\$15,000,000	
	WC	Virginia Risk Sharing Association	\$750,000	100% excess of \$750,000 up to \$1.75M	
	WC	Virginia interlocal Risk Sharing Assoc (captive)	\$1,000,000	100% excess of \$1M up to \$1.75M	
	WC	Midwest Employers Casualty Company	\$1,750,000	100% excess of \$1.75M	
	XS	Virginia Risk Sharing Association	\$0	10% excess of \$1M to limit of \$7.5M	
	XS	Great American Insurance Company	\$1,000,000	90% excess of \$1M	
	PD/AP	Alliant Property Insurance Program (APIP)	\$1,000,000	Only applies to vehicles on premises. Subject to property corridor ded.	
	PD/IM	Alliant Property Insurance Program (APIP)	\$150,000	Subject to property corridor deductible	
PR	Virginia Risk Sharing Association	\$2,000,000	\$2,000,000 aggregate deductible over \$1,000,000 per occ. retention		
PR	Alliant Property Insurance Program (APIP)	\$1,000,000	\$500M limit		
PR windstorm	Alliant Property Insurance Program (APIP)	\$1,000,000	\$200M limit		
2024-2025	GL, AL, PO, LE	Virginia interlocal Risk Sharing Assoc (captive)	\$1,000,000	\$1,000,000 annual aggregate deductible	
	Pollution	Ironshore	N/A	\$1M pollution condition; \$2M aggregate	
	BM	Alliant Property Insurance Program (APIP)	\$100,000 - \$350,000	shared retention based on hp & KW/KVA; \$100M limit	
	CL (Cyber)	Virginia Risk Sharing Association	\$250,000	\$250,000 per occurrence	
	CL (Cyber)	Virginia interlocal Risk Sharing Assoc (captive)	\$750,000	\$750,000 per occurrence; \$2M aggregate	
	CL (Cyber)	Virginia Risk Sharing Association	\$750,001	\$5M	
	CL (Cyber)	Tokio Marine	\$5,000,000	\$6M x of VRSA/VIRSA	
	CL (Cyber)	Virginia Risk Sharing Association	\$11,000,000	\$16,000,000	
	WC	Virginia Risk Sharing Association	\$750,000	100% excess of \$750,000 up to \$1.75M	
	WC	Virginia interlocal Risk Sharing Assoc (captive)	\$1,000,000	100% excess of \$1M up to \$1.75M	
	WC	Midwest Employers Casualty Company	\$2,000,000	100% excess of \$1.75M	
	XS	Virginia Risk Sharing Association	\$0	10% excess of \$1M to limit of \$7.5M	
	XS	Great American Insurance Company	\$1,000,000	90% excess of \$1M	
	PD/AP	Alliant Property Insurance Program (APIP)	\$1,000,000	Only applies to vehicles on premises. Subject to property corridor ded.	
	PD/IM	Alliant Property Insurance Program (APIP)	\$150,000	Subject to property corridor deductible	
PR	Virginia Risk Sharing Association	\$2,000,000	\$2,000,000 aggregate deductible over \$1,000,000 per occ. retention		
PR	Alliant Property Insurance Program (APIP)	\$1,000,000	\$1,000,000,000 limit		
PR windstorm	Alliant Property Insurance Program (APIP)	\$1,000,000	\$300M limit		
PR flood	Alliant Property Insurance Program (APIP)	\$1,000,000	\$100M limit		

**Virginia Risk Sharing Association and Subsidiaries
2024 – 2025 Membership by Type**





COMPLIANCE SECTION

For the Period July 1, 2024 – June 30, 2025

- Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statement Performed in Accordance with *Government Auditing Standards*

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

The Members' Supervisory Board
Virginia Risk Sharing Association

We have audited, in accordance with the auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of the Virginia Risk Sharing Association and Subsidiaries (the "Pool"), which comprise the consolidated statement of net position as of June 30, 2025, and the related consolidated statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated December 30, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Pool's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Pool's internal control. Accordingly, we do not express an opinion on the effectiveness of the Pool's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Pool's consolidated financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "Keita", with a stylized flourish at the end.

December 30, 2025
Glen Allen, Virginia

Virginia Risk Sharing Association
Annual Comprehensive Financial Report
For the Fiscal Years Ended June 30, 2025 and 2024



VRSA

Virginia Risk Sharing Association

More Than Insurance

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